

MEDIA RELEASE

Niagara Community Foundation Applauds New Federal Tax Change

Incentive is good news for donors and local charities

May 3, 2006

Charitable giving got a significant boost from the federal government in its recent budget, with a tax change that will benefit donors, community foundations and the local charities they support, said Liz Palmieri, Executive Director of the Niagara Community Foundation

Canadians who donate stock to their local community foundation or other charities will now pay no capital gains tax on the growth of those shares, thanks to the new provision announced in Tuesday's budget.

"This is fantastic news for donors who want to make a difference in their community and are looking for ways to reduce their tax bill at the same time," said Palmieri. "Community foundations saw a dramatic increase in donations when the capital gains tax on shares was reduced. Eliminating the tax on gifts of stock is an incredible incentive to give. This change will provide a significant boon for capital campaigns currently underway or soon to be launched in Niagara."

In 1997 the federal government reduced capital gains tax on donations of stock by 50 per cent. The result was a three-fold increase in gifts of publicly traded securities to charities -- from \$69.1 million to \$200.3 million between 1997 and 2000. The percentage of stock donations jumped from 1.6% to 3.9% of all donations.

A recent TD Economics report shows that Canadians hold \$1.3 trillion in stocks -- almost half of which are unrealized capital gains.

"This change could translate into hundreds of millions dollars in new donations," said Monica Patten, President and CEO of Community Foundations of Canada.

In 2000, during the high-tech boom, more than 60% of community foundation donations came in the form of securities. Last year Canadian community foundations received more than \$40 million in gifts of appreciated securities. Over the past few years, the Niagara Community Foundation received over \$350,000 in gifts of securities.

The Niagara Community Foundation builds and manages income earning endowment funds to support charitable activities. Since its launch in 2000, the Foundation has received over \$4 million in permanently held endowment funds and has awarded more than \$1 million in grant for community projects.

-30-

For further information contact:

Liz Palmieri, Executive Director, Niagara Community Foundation, 905-684-8688