

Example of a stock donation:

STOCK NAME:		XYZ CORP.
Date acquired:		10/1/2007
Current value/share:		\$ 100.00
	Cost (or current tax basis)	\$ 25.00
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Tax gain per share if sold:		\$ 75.00
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Tax on gain in CA @ 32% tax:		\$ 24.00
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After tax cash if owner sold one share:		\$ 76.00
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		Stock Donation	Cash Donation
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Donation value:		\$ 10,000	\$ 10,000
Tax deduction if top bracket:	48%	\$ (4,800)	\$ (4,800)
Amount of tax savings by donating stock, not selling it		\$ (2,400)	\$ n/a
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Net cost of the donation to the donor after taxes:		\$ 2,800	\$ 5,200

The example above assumes that the donor owns stock that has value and a much lower basis, and has held that stock for over a year. The donor can give cash or donate the stock. If the stock were sold instead of used as a donation to the charity, there would be capital gains tax at a 32% rate. This illustration is subject to each individual's own specific tax situation. Please consult your tax advisor or accountant.