

CHARITY OR TAXES, IT'S FOR YOU TO CHOOSE!!

Alberta's most recent provincial budget introduced a charitable initiative designed to assist and motivate Alberta tax payers to donate to their favourite charity. Albertans will now receive a 21% provincial tax credit for every dollar donated to charity, this combined with the existing 29% federal tax credit gives us a combined 50% tax credit for every dollar we donate. For every dollar (\$1.00) we donate to charity we will receive fifty cents (\$0.50) back in taxes paid a 50/50 partnership with the government.

Research has shown that most Canadian families make charitable contributions each year, the same research showed that these contributions are typically done on an ad hoc basis in response to a charitable solicitation. The recent tax incentive has made a proactive philanthropic planning approach a significant option in the financial decision making of families.

Families looking to be more strategic can consider the following example. An individual earning \$40,000 would owe taxes of \$7,500. If the tax payer donated \$15,000 to the charity of his choice they would receive a tax credit of \$7,500 (50% of \$15,000) to offset the tax payable. The \$15,000 the charity receives is \$7,500 from the taxpayer and \$7,500 from the government by the way of foregone taxes.

The government is getting out of the charity and replacing their financial support with charitable tax incentives. We can now choose "on purpose" to eliminate all our income taxes while at the same time provide the much needed support directly to worthy charities within our community.

For more information on how to eliminate or reduce your income taxes through donating to your favourite charity visit The Family Office website at www.thefamilyoffice.ca or call Amanda Bosma at 543-1519 for more information.