



WHAT IS THE REAL COST OF YOUR CHARITABLE DONATION AFTER RECEIVING YOUR DONATION TAX CREDIT?

EXAMPLES:

A. Annual donation of \$200 or less:

Income Tax Credit	Federal	+	Provincial (MB)	=	Total Tax Credit
	15.0%		10.8%		25.8%

So on first \$200 you would receive a tax credit of: $25.8 \times 200.00 = \$51.60$

So the REAL COST of that donation was $\$200.00 - 51.60 = \148.40 or **ONLY 74.2%** of your donation!

B. Annual donation of \$5,000:

Income Tax Credit	Federal	+	Provincial(MB)	=	Total Tax Credit
1 st \$200	15.0%		10.8%		25.8% = \$ 51.60
Balance-\$4800.	29.0%		17.4%		46.4% = <u>\$2,227.20</u>
					<u>2,278.80</u>

So on the \$5,000 you would receive a tax credit of \$2,278.80 or 45.6% of your Donation

So the REAL COST of that donation was $\$5,000.00 - \$2,278.80 = \$2,721.20$ or **ONLY 54.4%** of your donation!

Note: Real cost can be even lower for higher income individuals. In 2016, a third tier of tax credits was added for situations where taxable income is in excess of \$200,000. (indexed annually - in 2021 the income amount was \$216,5110). Consult a tax professional for further details.