



SPECIAL NOTICE

This is a special notice to all our clients who have generously donated appreciated securities through CSS to make you aware of some **tax changes that may affect you starting Jan 2024.**

On a regular basis, the federal government updates the tax system. Sometimes, these changes are designed to make the tax system fairer, like closing a loophole, or, in some cases, these changes are designed to achieve a certain outcome. An example of that would be to encourage donations to charity, as in the 2006 change to eliminate the capital gains tax on publicly traded securities donated to charity.

On January 1, 2024, changes to the Alternative Minimum Tax calculation may affect you.

The Alternative Minimum Tax (AMT) calculation is designed to primarily affect high-income Canadians and those who significantly benefit from preferential tax breaks. These preferential tax breaks, unfortunately, include the one introduced in 2006 mentioned above, which may affect some of our most generous donors.

The new rules limit the reductions from credits or other tax deductions and makes some adjustments to taxable income which can significantly increase the impact of the AMT, thereby impacting the final tax amount owed. The formula has been significantly changed; therefore, a quick check with your accountant may be in order. We simply want to alert you to this change and suggest making any appreciated security gifts before these changes come into effect.

Under the new rules, the AMT calculation uses an increased flat exemption to \$173,000 from the previous \$40,000. This increases the amount of income needed to trigger the AMT; however, once triggered, the flat tax rate also increases from 15% to 20.5%. Further, the new rules include several amendments, most notably for our purposes, the non-refundable tax credits received from donations to registered charities. I have included several of links below for those who wish to understand the changes more thoroughly.

Due to this change, CSS also expects to be busier than normal processing appreciated security gifts on behalf of our donors as the year-end approaches. To that end, we also include some deadlines you may want to keep in mind to ensure any gifts you wish to make can be completed by the end of this year to take advantage of the current generous rules.

If you have securities that you have earmarked for future donations, making use of the CSS Donor Advised Fund may be a good option for you.

START YOUR YEAR-END GIVING NOW

To help ensure your Appreciated Securities are processed before January 1st, it is recommended to have the gift-in-kind started:

Before November 30th → Mutual Funds & Exchange-traded funds (ETFs)
Donations originating from IG (Investors Group)

Before December 15th → Stock Donations

Outside these dates, please get in touch with Brian Dol at **800-267-8890 x220**

IMPORTANT INFORMATION

All donations received at the brokerage after December 15th will have their tax receipts generated in the new year. Donations received at the brokerage:

- Before January 1st, will have their tax receipts backdated to the date they arrived in 2023.
- On or after January 1st, will have their tax receipts dated for the date they arrived in 2024.

UPDATED FORMS

We have improved our donation forms by making them fillable. We have also modified the contact and brokerage information. Please use our current donation forms –contact **Brian Dol** for assistance at 800-267-8890 x220.

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