

Protect Canada's Charitable Legacy: Urgent Action Needed

To: **The Right Honourable Justin Trudeau, P.C., M.P.**
Prime Minister of Canada

To: **The Honourable Chrystia Freeland, P.C., M.P.**
Deputy Prime Minister and Minister of Finance

cc: **All Members of the PMO**

cc: **All Liberal MPs and all Senators**

Dear Prime Minister, Deputy Prime Minister and Minister of Finance,

We are deeply concerned about the proposed changes to the Alternative Minimum Tax (AMT) in the 2023 Federal Budget, especially concerning donations of publicly listed securities to charitable organizations.

This move is a significant shift from Canada's tradition of supporting a robust charitable sector. We can craft a tax system that remains equitable and champions our societal generosity.

Historical Context

In 1997, Finance Minister Paul Martin notably reduced the capital gains tax on gifts of publicly listed securities by 50%. This initiative was further boosted in 2006 by Finance Minister Jim Flaherty, who removed the remaining capital gains tax on these gifts. As a result, **a once-rare practice became common, with Canadian charities receiving annual donations of listed securities exceeding \$1 billion.**

The 2023 Budget's proposal risks reversing this legacy, leaving Canadian charities with reduced donations and putting them at a disadvantage against peers in the United States and the United Kingdom.

Charitable Sector Implications

Today, with the challenge of rising inequality and a growing gap between the haves and have-nots, charities play an even more crucial role. **It's counterintuitive to hinder private giving that draws critical funds into the charitable sector at a time when they – and the people they serve – need it the most.**

Under the new rules, a donor gifting publicly listed securities worth \$2,100,000 – with a capital gain of \$2,000,000 – would see their tax increase by \$165,215. **Such hikes will discourage many potential large-scale donations, jeopardizing many charities' operations.**

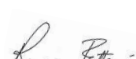
The upcoming budget revisions to the AMT will critically dampen Canadian charitable giving during an already challenging period. I urge you and your team to reconsider these changes, considering their broad implications for national charities.

Thank you for your dedication and attention. Many Canadians, deeply committed to our nation's charitable future, keenly await your insights.

Yours sincerely,



Dr. Kevin Smith
President & CEO
University Health Network



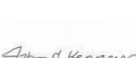
Rose M Patten, OC, OOnt
Chancellor
University of Toronto



Dan Clement
President & CEO
United Way Centraide Canada



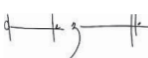
Vivek Goel, CM
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Foundation



Alan Shepard
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Western University



Daniele Zanotti
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Michael Benarroch, Ph.D.
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Ruth MacKenzie
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Canadian Association of Gift
Planners (CAGP)



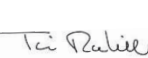
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Foundation



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