

<u>DONATED LAND</u>	<u>CONSERVATION EASEMENT LAND</u>
<p><b>TAXES INCURRED</b>  <b>The <i>Income Tax Act</i> deems donation of land as a disposition which attracts capital gains tax</b></p> <ul style="list-style-type: none"> <li>- donation of <u><i>certified ecologically sensitive land</i></u><sup>1</sup> taxed at 0% of deemed capital gain</li> <li>- donation of other land (<i>not certified as ecologically sensitive</i>) taxed at 50% of deemed capital gain</li> <li>- may be subject to land use change tax in some municipalities</li> <li>- Nature Trust takes over property taxes</li> </ul> <p><b>OTHER POTENTIAL EXPENSES</b></p> <ul style="list-style-type: none"> <li>- Nature Trust staff time and resources for securement, baseline study etc.</li> <li>- certification of title is required (legal fees)</li> <li>- professional surveying may be required</li> <li>- subdivision plan may be required if subdivided parcel is under 10 ha (~ 25 acres)*</li> <li>- property <u><i>appraisal</i></u><sup>2</sup></li> </ul> <p><b>TAX BENEFITS</b></p> <ul style="list-style-type: none"> <li>- tax receipt issued for full appraised value of land</li> <li>- for donation of land (not certified as ecologically sensitive), tax receipt can be used against 75% of income</li> <li>- for donation of ecologically sensitive land, tax receipt can be used against 100% of income</li> <li>- tax deductions can be carried forward up to five years</li> <li>- expenses (e.g. cost of survey, legal fees, subdivision plan, etc.) associated with land donation are tax deductible.</li> </ul>	<p><b>TAXES INCURRED</b>  <b>The <i>Income Tax Act</i> deems donation of an easement as a disposition which attracts capital gains tax</b></p> <ul style="list-style-type: none"> <li>- placement of easement on <u><i>certified ecologically sensitive land</i></u><sup>1</sup> is taxed at 0% of the deemed capital gain associated with the easement</li> <li>- placement of easement on other land (<i>not certified as ecologically sensitive</i>) is taxed at 50% of the value of the easement</li> <li>- may be subject to land use change tax in some municipalities</li> <li>- landowner pays future property taxes; effect of easement on property taxes depends on easement conditions and Municipality's ruling (tax assessment)</li> </ul> <p><b>OTHER POTENTIAL EXPENSES</b></p> <ul style="list-style-type: none"> <li>- Nature Trust staff time and resources for securement, baseline study etc.</li> <li>- certification of title is required (legal fees)</li> <li>- professional surveying may be required</li> <li>- exempt from subdivision plan</li> <li>- property <u><i>appraisal</i></u><sup>2</sup></li> </ul> <p><b>TAX BENEFITS</b></p> <ul style="list-style-type: none"> <li>- tax receipt issued for full appraised <u><i>value of the easement</i></u><sup>3</sup></li> <li>- for an easement on land (not certified as ecologically sensitive), tax receipt can be used against 75% of income</li> <li>- for an easement on ecologically sensitive land, tax receipt can be used against 100% of income</li> <li>- tax deductions can be carried forward up to five years</li> <li>- expenses (e.g. cost of survey, legal fees, etc.) associated with donation of land are tax deductible.</li> </ul>

<sup>1</sup> Ecologically sensitive land: Under the Federal EcoGifts program, donors of land or easements certified as ecologically sensitive areas benefit from a special tax program with reduced rate of inclusion for capital gains. The NSNT is approved to certify ecologically significant land in N.S.

<sup>2</sup> Land valuation: For tax receipt purposes and for calculating capital gain, land valuation of certified ecologically sensitive land requires an appraiser with AACI certification; for donations of other land, a real estate appraisal is acceptable.

<sup>3</sup> Value of easement: *Value of easement* is the difference in the market value of the property as result of placing the easement.