

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

¹ 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.

² 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.

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