



American Friends
of Canadian Land Trusts

For Immediate Release

International Program Announced to Accelerate Land Conservation in Canada
Long-time Barrier to Protection of American-Owned Land Removed



Finance Minister Jim Flaherty, and American Friends of Canadian Land Trusts' Bonnie Sutherland, made a landmark environmental announcement benefiting Canadian land conservation on Friday, in Whitby, Ontario.

WHITBY, Ontario, October 29, 2010 – The American Friends of Canadian Land Trusts (AFoCLT) and the Minister of Finance, Jim Flaherty, jointly announced a new environmental initiative on Friday that has opened the door to enhanced protection of countless outstanding natural areas across the country.

Until now, Canadian land trusts faced a major barrier to protecting many unique and significant natural areas across Canada. Because these lands are owned by Americans, an income tax barrier existed which discouraged protection. Americans who wished to protect land in Canada were required to pay often hefty Canadian capital gains tax on their conservation gift. In response, a new U.S. charity, AFoCLT, was formed by land conservation leaders on both sides of the border to provide the legal mechanism and structure required to make such 'cross-border' land conservation possible, but until today, the tax barrier remained.

Through the leadership of Canada's Finance Minister Jim Flaherty, changes made to the Income Tax Act regulations remove the capital gains tax on cross-border gifts of land to the AFoCLT. This regulatory change was announced by Minister Flaherty and representatives of the AFoCLT at Thickson's Woods Nature Reserve, near Whitby, Ontario.

The Minister acknowledged the critical role of land trusts in Canadian conservation, and the importance of the service provided by AFoCLT. Minister Flaherty said, "Land trusts are an important and highly effective way to protect our environment and our government recognizes the valuable contribution that land trusts make to conservation in Canada." He added, "We believe that this regulatory amendment gives our valued conservation partners more tools to help us in meeting Canada's conservation commitments and goals."

With the longstanding tax barrier now overcome, Bonnie Sutherland, a founder of AFoCLT, officially launched the organization's national "Cross-Border Land Conservation Program." This program is poised to open the door for Canadian land trusts to protect even more of Canada's natural legacy—lands they were unable to protect previously because of the tax barrier. These lands include unique and significant conservation lands, from pristine coastal lands in Nova Scotia and British Columbia to idyllic lakeshores and old growth forests in Ontario.

In announcing the program launch, Sutherland noted, “American Friends can now work together with Canadian land trusts to protect even more of Canada’s unique natural legacy, for the benefit of our natural environment and for the benefit of all Canadians. American landowners can become active partners in conservation on their own lands, and receive the same tax benefits as Canadian donors.”

Asked about the significance of the tax regulation change and the cross-border program launch, Sutherland noted, “Today’s announcements will have an immediate and significant impact on conservation in Canada.”

Minister Flaherty applauded the work of the AFoCLT and added, “The American Friends of Canadian Land Trusts is providing a critical service that will benefit conservation in Canada and ultimately all Canadians through its contribution to protecting Canada’s natural heritage.”

Margo Sheppard, Chair of the Canadian Land Trust Alliance, foresees an increased pace and scale for land conservation across Canada with this significant tax impediment removed. She noted, “Land Trusts from coast to coast applaud the groundbreaking work of American Friends, and we enthusiastically welcome their new program. We look forward to protecting what were for so long unattainable conservation lands.”

-30-

Contact:

Bonnie Sutherland
American Friends of Canadian Land Trusts
Founding member and Board member

Phone: (902) 425-5263

Email: bonnie@nsnt.ca

Web: nsnt.ca/af

Backgrounder

Land Trusts

- Land trusts are non-government, charitable organizations that work with private landowners to protect lands of ecological, historic or open space value
- They use the tools of land acquisition (donation, purchase, bequest) and permanent legal conservation agreements (conservation easements, covenants or servitudes) to protect land.
- Land trusts typically have a program to steward and manage their lands, often in partnership with community volunteers.
- There are over 150 land trusts in Canada, effectively helping government to meet its national and international conservation commitments and goals.
- The Canadian Land Trust Alliance promotes and supports land trusts in Canada. Regional Land Trust Alliances in BC, Alberta and Ontario provide provincial level support and capacity-building for land trusts.
- Canadian land trusts are part of a large and highly effective global land trust movement. In the United States alone there are over 1500 land trusts, that together have protected millions of acres of land.

The Ecological Gifts Program

- Environment Canada's EcoGifts Program provides a way for Canadians with ecologically sensitive land to protect nature and leave a legacy for future generations.
- There is no capital gains tax on certified Ecological Gifts.
- The recipient organization must be a Canadian charity. Since US taxpayers would typically wish to receive a U.S. tax benefit, they most donate their gift to US organizations. As a result they cannot access the capital gains tax benefits of this program
- It offers tax incentives to landowners who donate land to a qualified recipient, able to ensure that the land's biodiversity and environmental heritage are conserved in perpetuity.
- Since the program's establishment in 1995, hundreds of Canadians have donated land and conservation easements, many of which contain areas of national, provincial, or regional importance as well as rare or threatened habitats that are home to species at risk. See www.cws-scf.ec.gc.ca/egp-pde.

Prescribed Donee Status

- Under the Income Tax Act regulation 3504, the government may list organizations as 'prescribed donees'
- Donors of conservation land to a prescribed donee can avoid capital gains tax on their gift
- Today's announcement by Minister Jim Flaherty of an Income Tax Act amendment to designate AFoCLT as a prescribed donee provides a long-awaited tax-barrier free option for American owners of land in Canada. See the [Regulatory Amendment providing AFoCLT prescribed donee status](#)