

Your land may be your legacy in more ways than one.

Are you considering donating your land to charity?

You've cared for it and now you want to pass it along and feel secure that it will be conserved in its natural state for future generations.

That's where Ducks Unlimited Canada (DUC) can help. We will gratefully consider your land donation. With over 70 years of experience in the conservation of wetlands and natural areas, we know what it takes to manage land for the benefit of waterfowl, other wildlife and people.

As an added benefit and to encourage the preservation of ecologically sensitive land, the Canadian Government provides enhanced tax incentives for gifts of land and conservation easements to charities such as DUC. This can help you qualify for substantial tax savings.

▶ Environment Canada's Ecological Gifts Program eliminates the capital gains when ecologically sensitive land, or easements, covenants, or servitudes on such land, are donated to DUC. Environment Canada certifies the land is ecologically sensitive, approves the recipient organization qualified to receive such lands, and determines the fair market value of the land or easement.

See over for more.



Ducks Unlimited Canada
Conserving Canada's Wetlands

How does donating land save you money on your taxes?



Mrs. Smith's Scenario

Mrs. Smith owns a tract of native grassland that contains a number of small wetlands and wooded areas. She has worked hard to retain the natural features of her land in pristine condition and wants to pass it on to future generations. She decides to donate the land to DUC to preserve it in its natural state in perpetuity. The fair market value of the land is assessed at \$250,000.

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- ▶ The donor may use their tax credit to offset up to 100 per cent of their annual taxable income with excess amounts carried over for up to five years. This can provide substantial up front tax savings.
- ▶ In addition to preserving ecologically sensitive land and receiving tax savings from the donation credit, no capital gains taxes are paid, as would have been the case if the land were sold.
- ▶ DUC will also consider accepting donations of lands that are not ecologically sensitive, providing the donor with similar benefits such as no capital gains and tax credits which can be carried over for up to five years based on the current fair market value of the land.

Mrs. Smith's Scenario:

Value of her land donation: \$250,000
Capital gain on land: \$ Nil

	Year 1	Year 2	Year 3
Mrs. Smith's net income:	\$100,000	\$100,000	\$100,000
Her maximum charitable tax credit:	\$100,000	\$100,000	\$ 50,000
Excess donation not used: <i>(carried forward to next tax year)</i>	\$150,000	\$ 50,000	Nil
Mrs. Smith's actual tax break*:	\$ 45,000	\$ 45,000	\$ 22,500

*Based on 45% combined federal and provincial tax rate, a \$100,000 donation credit will return approximately \$45,000.

Total tax saved by Mrs. Smith over the three years is: \$112,500

Note: Tax savings are approximate. We are assuming Mrs. Smith's annual income at \$100,000 and that her total other charitable gifts total at least \$200. We are assuming a 45% combined federal and provincial tax rate and a 45% combined tax credit. This will vary depending on where you live. The illustration above may not include all factors relevant to a donation situation. To fully determine how a planned gift can fit into your financial or estate plans, we suggest that you discuss these options with your legal, tax or financial advisors. DUC can provide a third-party contact to help if requested.

For further information on this program, please contact:

Lloyd Derry
National Planned Giving Manager

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The Feather Society is a special group of people who have included DUC in their financial and estate planning. Once you make a pledge to this program you will be presented with your Feather Society pin. Your name will also appear in our Annual Report as a contributor.