

Incentives for Zero Net Deforestation

This table provides background information on existing incentives.

Incentive	Description	Financial Benefit	Link for More Information
Business expense deduction	Deduct afforestation costs as a business expense, as permitted under the federal <i>Income Tax Act</i> . Businesses already carry out tree planting projects for product marketing and corporate image branding (e.g. Pacific Western Brewery in Prince George).	For a taxable company, deducting \$100 costs would reduce taxes by \$25 (\$15 federal, \$10 provincial).	Canada Revenue Agency www.cra-arc.gc.ca Regulations and Interpretations
Charitable donations	For example, Tree Canada accepts donations for tree planting projects. Work is carried out by individuals and communities.	Donations are limited to 75% of income for the year but unused amounts can be carried forward for five years. Individuals get a tax credit of \$40 for the first \$200 of donations and 43.7% of donations in excess of \$200. For a taxable company, a \$100 donation would reduce taxes by \$25 (\$15 federal, \$10 provincial).	Tree Canada www.treecanada.ca Carbon protocol Programs How to get involved
Revitalization tax exemptions	Revitalization tax exemptions are a tool that local government councils may use to encourage various types of revitalization of a property or properties, or an entire municipality, to achieve a range of environmental, economic or social objectives. Brownfield redevelopment is one example that could be encouraged through revitalization tax exemption.	Varies by local government.	Check with your local government Enabling legislation - Section 226 of the Community Charter

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Lower assessed land value	Managed Forest land is assessed without the value of the timber. This generally results in a lower assessed land value. Timber values are assessed and taxed in the year of harvest.	A reduced assessed land value may lower the tax payable, depending on local government assessed tax (mill) rate.	<p style="text-align: center;">BC Assessment www.bcassessment.bc.ca</p> <p style="text-align: center;">Private Managed Forest Land Council www.pmflc.ca/</p> <p style="text-align: center;">Agricultural & forest land assessment Policies and legislation</p>
Lower tax (mill) rate for Managed Forest land class	Private Managed Forest Land currently has the lowest tax rates for school tax and for rural area tax.	In some cases a lower tax (mill) rate is applied to Managed Forest land (varies by local government). In rural areas the tax (mill) rate is determined by the provincial government.	<p style="text-align: center;">Union of British Columbia Municipalities http://ubcm.ca/</p> <p style="text-align: center;">Check with your local government</p>
Development cost charges	Development cost charges (DCCs) are fees for new development to help pay the cost of off-site infrastructure services that are needed to accommodate growth. DCCs may be waived or reduced for development designed to have low environmental impact or reduce GHG emissions. Development that avoids and/or minimizes deforestation may be eligible for a waiver or reduction.	The benefit to developer depends on value (if any) of the incentive set by local government.	Check with your local government
Grants (private)	For example Green Grants, a Canadian community greening program sponsored by Walmart Canada and led by Evergreen. Walmart has committed \$2.5 million through the program.	Provides up to \$10,000 to local groups working on urban naturalization projects that use native plants to restore and steward woodlands, meadows, wetlands and ravines.	<p style="text-align: center;">Walmart – Evergreen Green Grants www.evergreen.ca/en/funding/grants/walmart.s n</p>

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Voluntary Market	This market is currently active. Several organizations are acquiring offsets and selling credits.	Non-regulated carbon offset market so prices will vary with demand and quality.	Tree Canada www.treecanada.ca Carbon protocol Programs How to get involved Chicago Climate Exchange www.chicagoclimatex.com/
Conservation Initiatives	Various conservation organizations support targeted enhancements to biodiversity and regional conservation objectives.	Provide direct or cost-share resource funding.	Stewardship Centre for BC http://www.stewardshipcentre.bc.ca/cdirs/funders/
Pacific Carbon Trust	Pacific Carbon Trust is looking for afforestation projects to invest in. Protocol is under development. Regulated carbon offset market.	Pacific Carbon Trust sells GHG offsets at \$25 per tonne of carbon dioxide equivalent. It pays project proponents a reduced price depending on risk, quality and amount, based on certified GHG reduction reports.	Pacific Carbon Trust www.pacificcarbontrust.ca Protocols and related information
Western Climate Initiative	Western Climate Initiative is developing a cap and trade system with a market for allowances and offsets that is expected to start in 2012. Development of protocols for forest offset projects (including afforestation) is expected to be fast-tracked. Regulated carbon offset market.	Western Climate Initiative prices will depend on several factors, including the caps set on emissions, industry costs of meeting caps, and supply of certified offsets.	Western Climate Initiative www.westernclimateinitiative.org/ Protocols and related information