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American writer Mark Twain astutely advised people over a century ago to buy land because “they’re not making it anymore.” Today, land continues to be a good investment, but some investors are not buying land for themselves. Instead they are giving their country properties or making financial donations to land trusts to ensure that some land remains in its natural state in perpetuity.

These investors see the value of maintaining the habitat of plants and animals, protecting water quality, and preserving wilderness areas. They want to be sure that future generations will be able to marvel at the call of loons, to breathe in the smells of a forest, and to wonder at the darkness of night and a sky full of stars.

For these savvy investors, the personal satisfaction of knowing that their actions have protected wild spaces is complemented by personal financial benefits. A land trust with charitable status can issue a charitable receipt for income tax purposes for any donation of cash, securities, bonds, or other investments. The donation of securities to a land trust eliminates the taxes owing on the capital gains, and the charitable receipt can be used to offset other taxable gains.

A land trust can also issue a charitable receipt for the appraised value of a donated property. The charitable receipt, perhaps for several hundred thousand dollars, can be extremely beneficial for wealth maintenance during an investor’s life or to offset estate taxes. Donations do not have to take effect immediately. After discussing a land donation with a land trust and making the necessary arrangements, a donor can time the donation to make the most of available tax benefits.

Other landowners may not want to relinquish ownership of a much-loved property, preferring that their children and future generations can continue to enjoy it as they have. Preserving the natural features of the property is what is most important to them. They may also have concerns about their heirs’ ability to handle the estate taxes on the property, which may have significantly increased in value since it was purchased. In this situation, the property owners may wish to ask a land trust to hold a conservation easement on the property. The easement restricts the activities that can take place (for example, no logging), but allows owners to continue to own and use the property as they have always done.

An appraisal establishes the value of the conservation easement, and the land trust provides a charitable receipt for that amount to the landowner who is putting the easement in place. By restricting future development of the property, the easement reduces the property’s value for tax purposes. There are added financial benefits when the property meets EcoGift criteria under the Environment Canada program.

Clearly, the advantages of donations to a land trust are numerous for the donor, for future generations, and for the environment.