

2017 Federal Budget: Highlights by Policy Area

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Science & Innovation

SuperCluster Funding:

“Budget 2017 proposes to invest up to \$950 million over five years, starting in 2017–18, to be provided on a competitive basis in support of a small number of business-led innovation “superclusters” that have the greatest potential to accelerate economic growth.

The competition will launch in 2017 and focus on superclusters that enhance Canada’s global competitiveness by focusing on highly innovative industries such as advanced manufacturing, agri-food, clean technology, digital technology, health/bio-sciences and clean resources, as well as infrastructure and transportation.

These are industries that traditionally attract more skilled workers who are men, compared to women. Budget 2017 proposes to work with partners from all aspects of Canadian society to shift this trend, help more women succeed and help grow Canada’s middle class.

Of the \$950 million, \$800 million will be drawn from the Budget 2016 provision for innovation networks and clusters and \$150 million will be drawn from the public transit and green infrastructure allocations provisioned in the 2016 *Fall Economic Statement.*” (pg. 79-80)

Innovation Canada:

“Budget 2017 proposes to establish Innovation Canada, a new platform led by Innovation, Science and Economic Development Canada that will coordinate and simplify the support available to Canada’s innovators. To better support Canada’s innovators, Innovation Canada will:”

- “Lead the creation of Canada’s economic growth strategies: Working with leading Canadian innovators, Innovation Canada will develop six Economic Strategy Tables to identify innovation opportunities in advanced manufacturing, agri-food, clean technology, digital industries, health/bio-sciences and clean resources. The Economic Strategy Tables will set ambitious growth targets for Canadian innovators, identify sector-specific challenges and “bottlenecks” to innovation as well as barriers to greater participation across gender lines, and lay out specific strategies to help innovators achieve their targets. The Economic Strategy Tables will help guide the Government in its efforts to provide relevant and effective programs for Canada’s innovators.” (pg. 77)
- “Initiate a whole-of-government review of business innovation programs. To ensure that its programs are simple and effective and best meet the needs of Canada’s innovators, the Government will review existing programs with the help of external experts. The review will encompass all relevant federal organizations, including Innovation, Science and Economic Development Canada, Natural Resources Canada, and Agriculture and Agri-Food Canada. In parallel, the Government will also review the Scientific Research and Experimental Development tax incentive program to ensure its continued effectiveness and efficiency.” (pg. 78)

Strategic Innovation Fund:

“Budget 2017 proposes to create a new \$1.26 billion five-year Strategic Innovation Fund to consolidate and simplify existing business innovation programming, in particular the Strategic Aerospace and Defence Initiative, Technology Demonstration Program, Automotive Innovation Fund and Automotive Supplier Innovation Program.”

“The Strategic Innovation Fund will attract and support new high-quality business investments—and will continue to be available to aerospace and automotive firms, while also expanding its support to other dynamic and emerging sectors, such as clean technology and agri-food.”

“Budget 2017 proposes to provide a further \$200 million over three years, starting in 2017–18, to supplement existing funding. Of this amount, \$100 million will be new funding and \$100 million will be drawn from the \$1 billion announced in Budget 2016 to support clean technology.” (pg. 82)

Intellectual Property Strategy 2017:

“In recognition of the importance of a well-functioning intellectual property regime, Budget 2017 announces the Government will develop a new intellectual property strategy over the coming year. The strategy will help ensure that Canada’s intellectual property regime is modern and robust and supports Canadian innovations in the 21st century.” (pg. 87)

Strengthening Science in Government:

“Budget 2017 proposes to elevate the importance of science in government, with the establishment of a Chief Science Advisor and related secretariat. As part of her/his mandate, the Chief Science Advisor will provide advice on how to ensure that government science is open to the public, that federal scientists are able to speak freely about their work, and that science is effectively communicated across government.

The Chief Science Advisor will be responsible for providing advice to the Prime Minister and the Minister of Science, and will serve primarily in an advisory and coordinating capacity. Budget 2017 proposes to establish an annual budget of \$2 million for the Chief Science Advisor and related secretariat.

In addition, over the coming year, the Government will work to develop a new federal science infrastructure strategy. This will include a review of existing investments in federal science infrastructure, including federal laboratories and testing facilities, and provide a roadmap for future investments.” (pg. 88)

Investment in Plant Health Centre:

“As part of the Government’s commitment to establishing and maintaining modern federal science infrastructure, Budget 2017 also proposes to provide \$80 million on a cash basis over five years, starting in 2017–18, to replace the Sidney Centre for Plant Health, located in Sidney, British Columbia. A new, world class plant health research facility will help support the safety of Canada’s agriculture and agri-food sector, while facilitating trade and economic growth that benefits all Canadians.” (pg. 89)

Access to Financing for Cleantech Firms:

“Budget 2017 proposes to increase financing support for Canada’s clean technology sector by making available more equity finance, working capital and project finance to promising clean technology firms. Nearly \$1.4 billion in new financing, on a cash basis, will be made available to help Canada’s clean technology firms grow and expand.” (pg. 97)

Promoting the Demonstration of Clean Technologies:

“Building on these investments, Budget 2017 proposes to invest \$400 million over five years, starting in 2017–18, to recapitalize the SD Tech Fund™. This funding will support projects across Canada to develop and demonstrate new

clean technologies that promote sustainable development, including those that address environmental issues such as climate change, air quality, clean water and clean soil.” (pg. 98)

Investing in Research and Development for Clean Energy and Transportation

“The Government proposes to provide \$229 million over four years, starting in 2018–19, to Natural Resources Canada and Transport Canada to continue R&D activities through their core clean energy and clean transportation innovation programming.” (pg. 99)

Encouraging Clean Technology in the Natural Resources Sectors:

“To support clean technology research, and the development, demonstration and adoption of clean technology in Canada’s natural resources sectors, Budget 2017 proposes to provide \$200 million over four years, starting in 2017–18, to Natural Resources Canada, Agriculture and Agri-Food Canada and Fisheries and Oceans Canada. Technologies at varying stages of maturity will be eligible, and eligible recipients will include industry, academia, federal laboratories and other research organizations.” (pg. 99)

Expanding Tax Support for Clean Energy:

“Geothermal energy is one renewable energy source with the potential to reliably meet a portion of Canada’s heating and electricity generation needs, including in northern and remote communities, where reliance on fossil fuels remains high. To encourage greater use of geothermal energy, Budget 2017 proposes to:

- Extend accelerated capital cost allowance to a broader range of geothermal projects and expenses.
- Expand the range of geothermal energy project expenses that are eligible as Canadian renewable and conservation expenses, which can be fully deducted in the year incurred.” (pg. 100)

Establishing a Clean Technology Data Strategy and the Clean Growth Hub:

“To foster innovation, improve knowledge in the private sector and stakeholder communities, and help inform future government decision-making, the Government intends to establish a Clean Technology Data Strategy. Budget 2017 proposes to provide \$14.5 million over four years, starting in 2017–18, to Natural Resources Canada and Innovation, Science and Economic Development Canada for the creation of this strategy.” (pg. 100)

Advancing Agricultural Science and Innovation:

“Budget 2017 builds on this funding by proposing to invest \$70 million over six years, starting in 2017–18, to further support agricultural discovery science and innovation, with a focus on addressing emerging priorities, such as climate change and soil and water conservation.” (pg. 108)

Trade & Transportation

National Trade Corridors Fund:

“To address urgent capacity constraints and freight bottlenecks at major ports of entry, and to better connect the rail and highway infrastructure that delivers economic growth across Canada, the Government proposes to establish a new National Trade Corridors Fund.”

“Investments will target congestion and inefficiencies at marine ports such as Vancouver (vital to expanding Canada’s trade with Asia) and Montréal (critical to the success of Canada’s Comprehensive Economic and Trade Agreement with the European Union), as well as along the busiest rail and highway corridors around the Greater Toronto Area and other urban centres across the country.”

“Budget 2017 proposes to provide \$2 billion over 11 years to support the Fund’s activities. At least an additional \$5 billion will be provided through the Canada Infrastructure Bank to address trade and transportation priorities” (pg. 139)

Trade and Transportation Information System:

“The Government proposes to establish a new Canadian Centre on Transportation Data, and an open data portal, to serve as authoritative sources of multi-modal transportation data and performance measures.”

“Statistics Canada, other levels of government, industry and educational institutions will be partners in this initiative. The initiative will support innovations that will move goods more efficiently across supply and distribution chains, getting them from the manufacturer and into the hands of consumers more quickly, affordably and sustainably.”

“To support this measure, Budget 2017 proposes to provide \$50 million over 11 years to Transport Canada to launch a Trade and Transportation Information System.” (pg. 139)

Modernizing Canada’s Transportation System:

“Travel and transportation is evolving. From self-driving cars on our roads to drones in our skies to ever-changing patterns in trade, the Government must stay on top of changing trends by updating regulations, certifications and standards. Proposed activities include:

- Developing regulations for the safe adoption of connected and autonomous vehicles and unmanned air vehicles.
- Working with industry, provinces, territories and municipalities to establish pilot projects (e.g., to evaluate new unmanned air vehicle technology at a new test centre).
- Increasing Transport Canada’s ability to establish and provide the standards and certifications that industry will need to safely use these new technologies. To complete these and other related activities, Budget 2017 proposes to provide Transport Canada with \$76.7 million over five years, starting in 2017–18, on a cash basis, including existing resources.”

“To support the long-term growth of this and other transportation-related industries, the Government will introduce legislation to enter into service-level agreements with industry. These new authorities will allow for more effective cost recovery for regulatory and certification services.” (pg. 140)

Strengthening Trade Within Canada:

“The Government has worked closely with provincial and territorial governments to negotiate a new Canadian Free Trade Agreement (CFTA). The CFTA will bring real benefits to Canadians and their businesses in a wide range of sectors in all 13 provinces and territories. Opportunities will increase for Canadian businesses of all sizes to grow and innovate at home so they are better equipped to compete internationally. It will increase choice and lower costs for

consumers, and create jobs in a range of sectors across the country for the middle class. The agreement also establishes a process for future trade liberalization in areas such as interprovincial trade in alcoholic beverages. The CFTA is expected to enter into force in 2017.” (pg. 93)

Growth and Development in Asia:

“Canada’s success depends on trade. Strong trade relationships create more opportunities for middle class Canadians to succeed and prosper. The Government is prioritizing trade and investment with key markets in Asia, including China, India, and Japan, to deepen Canada’s ties with Asia and bolster commerce.”

“Last September, the Prime Minister and Alibaba Group Executive Chairman Jack Ma launched the “Canadian Pavilion” on Alibaba’s online shopping site. The Pavilion connects many Canadian companies to the over 400 million consumers in the Chinese market who use Alibaba, helps brand Canadian products and services, promotes Canadian culture and tourism, creates new business opportunities for Canadian small and medium-sized enterprises and other partners, and is evidence of the large—and growing—appetite for Canada in Asia.”

“Budget 2017 proposes to invest \$256 million over five years for Canada to join the Asian Infrastructure Investment Bank (AIIB) in order to build our multilateral engagement with countries around the world. Canada’s membership at the AIIB will support inclusive, sustainable economic growth in Asia and beyond, by promoting investments in high quality infrastructure projects, including in transportation and energy.” (pg. 181)

Most-Favoured-Nation tariff elimination on certain agri-food processing inputs:

“In addition to specific investments made to support the growth of and innovation in Canada’s agri-food sector, the Government has undertaken efforts to support Canada’s farmers and food processors, including:”

- “Eliminating tariffs on a broad range of agri-food processing ingredients, covering approximately \$700 million in annual imports, to strengthen the competitiveness of Canadian agri-food manufacturers at home and abroad.” (pg. 107)

Note: This reflects a consultation that was undertaken in 2016, not a new commitment.

Food Safety:

Strengthening Canada’s Food Safety System:

“To help strengthen Canada’s world class food safety system, Budget 2016 provided an investment of \$38.5 million over two years, on a cash basis, for the Canadian Food Inspection Agency to invest in systems that focus on high-risk domestic and imported foods.”

“To support ongoing efforts to better prevent, detect and respond to food safety risks, Budget 2017 proposes to invest up to \$149.3 million over five years, starting in 2017–18, to renew core food safety inspection programming delivered by the Canadian Food Inspection Agency and Health Canada. This proposed investment would support inspection activities in meat processing facilities, support targeted programming to address the risks associated with listeria contamination, and allow for the ongoing operation of the Canadian Food Inspection Agency’s Inspection Verification Office.” (pg. 192)

Labour:

Improving the Temporary Foreign Worker Program:

“Budget 2017 proposes to invest \$279.8 million over five years, starting in 2017–18, and \$49.8 million per year thereafter, to support the continued delivery of the Temporary Foreign Worker Program and the International Mobility Program. This investment will build on Canada’s new Global Skills Strategy, which will help to facilitate the temporary entry of high-skilled global talent.” (pg. 69)

Skills Training for the New Economy:

“Under the existing Labour Market Transfer Agreements, the Government provides nearly \$3 billion each year to provinces and territories for the design and delivery of skills training and employment supports aimed at helping Canadians prepare for, return to or maintain employment. However, in 2013–14, women accounted for less than 44.5 per cent of all participants under the Labour Market Development Agreements—the largest of these transfer agreements. This underrepresentation is particularly worrisome given the significant barriers faced by women in the labour market.”

“Budget 2017 proposes to provide an additional \$2.7 billion over six years, starting in 2017–18, to expand these agreements and help more Canadians access training and employment assistance. With this funding comes a renewed commitment to increase the participation of underrepresented groups—such as women—in the workforce. Working with provinces and territories, the Government will develop a new approach to labour market programming that is more responsive to the diverse needs of Canadians.” (pg. 228)

Investing in Skills Innovation:

“As recommended by the Advisory Council on Economic Growth and the Forum of Labour Market Ministers, new approaches are needed to address skills gaps and support lifelong learning throughout Canadians’ working lives. To that end, Budget 2017 proposes to provide \$225 million over four years, starting in 2018–19, and \$75 million per year thereafter, to establish a new organization to support skills development and measurement in Canada.” (pg. 57)

Encouraging Unemployed Canadians to Seek New Training Through Employment Insurance:

“To help more unemployed Canadians get the training they need to get a good, well-paying job, the Government proposes to make better use of existing flexibilities within the EI program that allow claimants to pursue self-funded training and maintain their EI status. For unemployed workers receiving EI, this will mean that they can return to school to get the training they need to find a new job—without fear of losing the EI benefits they need to support themselves and their families. This will provide greater security to Canadian families at a time when they need help most.”

“Budget 2017 proposes to provide \$132.4 million over four years, beginning in 2018–19, and \$37.9 million per year thereafter, to allow unemployed Canadians to pursue self-funded training while receiving EI benefits.” (pg. 56)

Infrastructure:

Charting a Better Future for Rural and Northern Communities:

“Because rural and northern communities have unique infrastructure needs that require a more targeted approach, the Government will invest \$2.0 billion over 11 years to support a broad range of infrastructure projects, to be allocated to provinces and territories on a base plus per capita allocation basis.” (pg. 130)

Making Home Internet Access More Affordable for Low-Income Families:

“Budget 2017 proposes to invest \$13.2 million over five years, starting in 2017–18, in a new Affordable Access program, which will help service providers offer low-cost home Internet packages to interested low-income families.”

“To better understand how Canadians use digital technology, Budget 2017 also proposes to allocate \$5 million over five years, starting in 2017–18, for Statistics Canada and private sector-led surveys on the impact of digital technology in Canada.” (pg. 73)

Supporting Families Through Early Learning and Child Care:

“To help Canadian children get the best start in life, and to better support Canadian families, Budget 2016 provided an initial \$500 million in 2017–18 for early learning and child care.

Building on this commitment, Budget 2017 proposes to invest an additional \$7 billion over 10 years, starting in 2018–19, to support and create more high quality, affordable child care spaces across the country.” (pg. 131-132)

Climate Change:

Adaptation and Climate Resilience:

“To protect our communities and all Canadians from the risks associated with climate change, Budget 2017 proposes to:

- Establish a new Canadian Centre for Climate Services to improve access to climate science and regional climate resilience centres. The centres will work with provincial, territorial, Indigenous and other partners to make it easier for governments, communities, decision-makers, businesses and organizations to access data and information on climate science, and help support climate adaptation decision-making across the country. This new Centre will be administered by Environment and Climate Change Canada. Budget 2017 proposes to provide \$73.5 million over five years, starting in 2017–18, to Environment and Climate Change Canada and Natural Resources Canada to establish the Centre and build regional adaptation capacity and expertise.
- Develop and implement a national action plan to respond to the broad range of health risks caused by climate change. Budget 2017 proposes to provide Health Canada, the Public Health Agency of Canada and the Canadian Institutes of Health Research with \$47.0 million over five years, starting in 2017–18, to develop and implement this plan.
- Undertake risk assessments on federal transportation infrastructure assets. Budget 2017 proposes to provide \$16.4 million over five years, starting in 2017–18, to Transport Canada to ensure that Canada’s federally managed roads, bridges, rail systems and ports are able to withstand the effects of natural disasters, climate change and extreme weather events.” (pg. 129)

Policy Communications and Engagement:

“To ensure a co-ordinated, whole-of-government approach to climate change, Budget 2017 proposes to provide \$135.4 million over four years, starting in 2018–19, to Environment and Climate Change Canada and Natural Resources Canada. This investment will be used to enhance action on short-lived climate pollutants, decarbonize the transportation system, and maintain policy and coordination capacity, as well as to develop a legislative framework for offshore renewable energy projects.” (pg. 130)

Federal Carbon Pricing Backstop:

“The Framework includes a pan-Canadian approach to pricing carbon pollution, with the aim of having carbon pricing in place in all provinces and territories by 2018. Provinces and territories have the flexibility to choose between two systems: a direct price on carbon pollution or a cap-and-trade system. The Government will introduce a backstop pricing system that will apply in provinces and territories that do not meet the federal carbon pricing benchmark.

In the coming months, the Government will release a consultation paper containing the technical details of the proposed federal carbon pricing backstop mechanism, and will work to ensure that the views of Canadians are heard.” (pg. 127)

Taxation:

Consultation on Cash Purchase Tickets

“When a farmer delivers a listed grain (i.e., wheat, oats, barley, rye, flaxseed, rapeseed or canola) to the operator of a licensed elevator, the operator may issue to the farmer a cash purchase ticket or other prescribed form of settlement. If the cash purchase ticket (or other prescribed form of settlement) in respect of a delivery of a listed grain is payable in the year following the year in which the grain is delivered (a “deferred cash purchase ticket”), the taxpayer includes the amount of the ticket in income in that following year. The treatment of deferred cash purchase tickets that are issued in respect of deliveries of listed grains is a departure from the general rule with respect to taxpayers (including other farmers) who are required to include the amount of a security or other evidence of indebtedness received as payment of a currently-payable debt in income in the year in which it is received.

The historical rationale for the tax deferral for cash purchase tickets in respect of listed grains relates to international grain shipment agreements and the Canadian Wheat Board’s former position as the sole purchaser of listed grain in Manitoba, Saskatchewan and Alberta. With the deregulation of the grain marketing regime and commercialization of the Canadian Wheat Board, the delivery of the listed grains is now the responsibility of private business rather than the federal government. As a result, there is arguably no longer a clear policy rationale for maintaining the tax deferral accorded to deferred cash purchase tickets received as payment for listed grains.

Budget 2017 launches a consultation on the income tax deferral available in respect of deferred cash purchase tickets for deliveries of listed grains.

Stakeholders are invited to provide comments on the ongoing utility, and potential elimination, of this tax deferral, including any appropriate transitional period or rules.

The Government invites interested parties to submit comments by May 24, 2017. Please send your comments to consultation_tax_2017@canada.ca.” (Tax Measures, pg. 28)

New Canada Caregiver Credit:

“Budget 2017 proposes to simplify the existing system. It will replace the Caregiver Credit, Infirm Dependant Credit and Family Caregiver Tax Credit with a single new credit: the Canada Caregiver Credit. This new, non-refundable credit will provide better support to those who need it the most, apply to caregivers whether or not they live with their family member, and help families with caregiving responsibilities.

The new Canada Caregiver Credit will provide tax relief on an amount of:

- \$6,883 (in 2017) in respect of expenses for care of dependent relatives with infirmities (including persons with disabilities)—parents, brothers and sisters, adult children, and other specific relatives.
- \$2,150 (in 2017) in respect of expenses for care of a dependent spouse/common-law partner or minor child with an infirmity (including those with a disability).” (pg. 213)

Tax Planning Using Private Corporations:

“The review of federal tax expenditures highlighted a number of issues regarding tax planning strategies using private corporations, which can result in high income individuals gaining unfair tax advantages. A variety of tax reduction strategies are available to these individuals that are not available to other Canadians. These strategies include:

- *Converting a private corporation’s regular income into capital gains*, which can reduce income taxes by taking advantage of the lower tax rates on capital gains. Income is normally paid out of a private corporation in the form of salary or dividends to the principals, who are taxed at the recipient’s personal income tax rate (subject to a tax credit for dividends reflecting the corporate tax presumed to have been paid). In contrast,

only one-half of capital gains are included in income, resulting in a significantly lower tax rate on income that is converted from dividends to capital gains.”

“A number of measures have been put in place over the years to limit the scope of some of these planning arrangements, but such measures have not always been fully effective. The Government is therefore further reviewing the use of tax planning strategies involving private corporations that inappropriately reduce personal taxes of high-income earners. In doing so, the Government will also consider whether there are features of the current income tax system that have an inappropriate, adverse impact on genuine business transactions involving family members.” (pg. 199-200)

Closing Tax Loopholes:

“Clarify the intended meaning of “factual control” under the *Income Tax Act* for the purpose of determining who has control of a corporation in order to prevent inappropriate access to supports such as the small business tax rate and the enhanced refundable 35-per-cent Scientific Research and Experimental Development Tax Credit for small businesses.” (pg. 200)

Meaning of Factual Control

“The *Income Tax Act* recognizes two forms of control of a corporation: de jure (legal) control and de facto (factual) control. The concept of factual control is broader than legal control and is generally used to ensure that certain corporate tax preferences are not accessed inappropriately. For example, the factual control test is used for the purpose of determining whether two or more Canadian controlled private corporations are “associated corporations”. Associated corporations must be considered together in determining whether certain thresholds are met, such as the \$500,000 small business deduction limit and the limit on qualifying expenditures relating to the refundable 35-per-cent scientific research and experimental development tax credit.

A person may have factual control of a corporation even though the person does not have legal control of the corporation. Legal control of a corporation generally entails the right to elect the majority of the board of directors of the corporation. Factual control of a corporation exists where a person has “directly or indirectly in any manner whatever” influence that, if exercised, would result in control in fact of the corporation. In each situation, consideration of all the relevant factors is required in determining whether there is factual control of a corporation. A significant body of case law has developed concerning which factors may be useful in determining whether factual control exists.

A recent court decision held that, in order for a factor to be considered in determining whether factual control exists, it must include “a legally enforceable right and ability to effect a change to the board of directors or its powers, or to exercise influence over the shareholder or shareholders who have that right and ability”. This requirement limits the scope of factors that may be taken into consideration in determining whether factual control of a corporation exists. It is not intended from a policy perspective that the factual control test be dependent on the existence of such a legally enforceable right, or that factors that do not include such a right ought to be disregarded.

To ensure taxpayers do not inappropriately access certain tax preferences, Budget 2017 proposes that the *Income Tax Act* be amended to clarify that, in determining whether factual control of a corporation exists, factors may be considered that are not limited to the requirement set out above. This measure will apply in respect of taxation years that begin on or after Budget Day.” (Tax Measures, pg. 23-24)

Updating Tax Measures to Reflect Changes in the Economy:

“Eliminate the income tax exemption for insurers of farming and fishing property, which was introduced in 1954 to encourage the provision of insurance in rural districts. With the increased sophistication today of the Canadian



financial sector, insurance companies—including mutual companies—are well placed to effectively underwrite farming and fishing risks.” (pg. 209)

Ecological Gifts Program:

“The ecological gifts program provides a way for Canadians with ecologically sensitive land to contribute to the protection of Canada’s environmental heritage. Under this program, certain donations of ecologically sensitive land or easements, covenants and servitudes on such land (ecogifts) are eligible for special tax assistance. Individual donors are eligible for a charitable donation tax credit, while corporate donors are eligible for a charitable donation tax deduction. The amount of the donation, up to 100 per cent of net income, may be claimed in a year and unused amounts may be carried forward for up to ten years.

The ecogift program is primarily administered by Environment and Climate Change Canada (ECCC). In order for a gift to meet the requirements of the ecogift program, the Minister of ECCC must:

- certify that the land is ecologically sensitive and that its conservation and protection is important to the preservation of Canada’s environmental heritage;
- approve the organization that will receive the gift, if it is a registered charity; and
- certify the fair market value of the donation.

In addition, any easements, covenants or servitudes must run in perpetuity in order to qualify as ecogifts.

To help ensure that donated land is not subsequently used for other purposes, the *Income Tax Act* imposes a tax of 50 per cent of the fair market value of the land upon a recipient who, without the consent of ECCC, changes the use of the property or disposes of it. The Canada Revenue Agency is responsible for assessing and collecting the tax in such situations. Budget 2017 proposes a number of measures in order to better protect gifts of ecologically sensitive land.” (pg. 14, Tax Measures)