

# The Fiscal Benefits Project

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Photo: Candice Stevens

## Section 37D in a tax return!

The very **first biodiversity tax incentive** for a formally declared Protected Area in South Africa has been accessed on behalf of a private landowner. Section 37D was included in the tax return of a property in the Waterberg IBA, Limpopo. The property was declared a **Nature Reserve** in 2015 and is one of the Fiscal Benefits Project pilot sites where testing of the biodiversity tax incentive has taken place. The successful appropriation of the incentive marks both a **national and global first**. It is the historic first instance whereby a fiscal benefit has been secured for the long term conservation commitment made on privately-owned land. The achievement is the culmination of years of hard work by collaborative stakeholders and is the result of innovative finance and financial sustainability.

S37D provides the landowner with a straight line deduction from taxable income based on the value of the Nature Reserve declared. The property receiving the first use of s37D protects birds, other biodiversity, and unique vegetation and is an important water source area as well as a source of local jobs.

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## Corporate Conservation Partnership

The Fiscal Benefits Project is set to formalise a partnership with a leading Advisory Firm in the next quarter with the aim of providing pro bono tax consulting services to Biodiversity Stewardship and Protected Area Expansion sites across the country. The aim of the Partnership is to mainstream the findings of the Fiscal Benefits Project pilot study and provide access to the effective biodiversity tax incentives to landowners.

## THE FISCAL BENEFITS PROJECT

The Fiscal Benefits Project is determining whether the use of biodiversity tax incentives can provide financial benefit to landowners engaging in Biodiversity Stewardship agreements. The tax incentives are being tested at pilot sites under a feasibility study to determine their effectiveness. The findings from these sites are now being mainstreamed through a Corporate Conservation Partnership. The Project is managed by tax specialist, Candice Stevens.

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