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## **CARBON SINK FOREST DEDUCTIONS**

A deduction for capital expenditure for the establishment for trees in carbon sink forests is now available. There are three guidelines:

- Carbon sink forest establishment should be based on regionally applicable best practice approaches for achieving multiple land and water environmental benefits;
- Carbon sink forest establishment activities should be guided by regional natural resource management plans and water sharing plans, and environmental impacts at a catchment scale should be considered;
- Carbon sink forest establishment activities should recognise and adhere to all government regulatory requirements.

With all due respect to the admirable aim of carbon sequestration, what on earth has tax law got itself into? Clients involved in this kind of activity may well ask the same question when they realise the complexity of the law.

We have provided general information for guidance only in this newsletter. For business and personal taxation planning, or other professional advice having regard to your circumstances, please come and see either Charles or Matthew.