

Tax Incentive for Conservation Easements

Landowners in Your Community Need Your Help to Make This Important Conservation Tool Permanent

The 2008 Farm Bill recently extended a 2006 incentive that enables family farmers, ranchers, and other moderate-income landowners to get a significant tax benefit for donating a conservation easement on their land. A new survey by the Land Trust Alliance shows that this incentive helped America's land trusts protect 535,000 more acres with conservation easements in 2006 and 2007, than in the two years prior to its enactment – a 36% increase. Unless Congress acts, the incentive will expire at the end of 2009! We need your help to make it permanent.

Conservation easements allow private landowners to permanently retire development rights to protect significant natural resources. The new tax incentive opened the door to voluntary, landowner-led conservation on millions of acres of important wildlife habitat and scenic open space across the country. The incentive also enhances “bargain sales” of easements purchased by local, state and federal conservation agencies.¹

Donating development rights to land – often a farm or ranch family's most valuable asset – requires careful planning and consideration. It often takes years from the initial conversations with a landowner before a conservation easement is executed. Landowners considering a perpetual commitment of their land should not be pressured by an artificial deadline, and many will never begin the process without the reassurance of a permanent incentive.

How the Tax Incentive Works

The renewed incentive helps landowners of modest means choose conservation by:

- Raising the maximum deduction a donor can take for donating a conservation easement from **30%** of their adjusted gross income (AGI) in any year to **50%**;
- Allowing qualified farmers and ranchers to deduct up to **100%** of their AGI; and
- Increasing the number of years over which a donor can take deductions from 6 to **16 years**.

Under prior law, an agricultural landowner earning \$50,000 a year who donated a conservation easement worth \$1 million could take a total of no more than \$90,000 in tax deductions! Under the new law, that landowner can take as much as \$800,000 in tax deductions – still less than the full value of their donation, but a significant increase.

Conservation Incentive and Solid Tax Reform

The 2006 law also set higher standards for appraisers and appraisals of all donated property, and set higher penalties for abusive appraisals. Conservationists supported this to ensure the integrity of the charitable donation process. The law also tightened restrictions on donations of easements to protect historic buildings. These reforms are not subject to expiration.

1. A “bargain sale” is the sale of property to a charity or government agency for less than its full fair market value.

Widespread, Bipartisan Support

A House bill to make the incentive permanent has 93 original cosponsors and identical legislation in the 110th Congress had 183 House and 28 Senate cosponsors. Both President Bush's FY 2009 budget and President Obama's campaign website support extending the incentive. More than 1,700 land trusts around the country and a remarkably diverse coalition of more than 65 national organizations are working together to defend the incentive:

American Bird Conservancy	Environmental Defense Fund	Pacific Forest Trust
American Farm Bureau Federation	Equestrian Land Conservation	Partnership of Rangeland Trusts
American Farmland Trust	Resource	Pheasants Forever
American Fisheries Society	Humane Society of the United States	Piedmont Environmental Council
American Forest Foundation	Humane Society Wildlife Land Trust	Pope & Young Club
American Land Conservancy	Izaak Walton League of America	Quail Unlimited
American Quarter Horse Association	KY Thoroughbred Owners & Breeders	Quality Deer Management Association
American Sportfishing Association	Land Trust Alliance	Rocky Mountain Elk Foundation
Archery Trade Association	Master of Foxhounds Association	Safari Club International
Association of Fish & Wildlife	Montana Land Reliance	Scenic America
Agencies	Mule Deer Foundation	Texas Wildlife Association
Berkley Conservation Institute	National Audubon Society	The Conservation Fund
Boone & Crockett Club	National Cattlemen's Beef Association	The Nature Conservancy
Bowhunting Preservation Alliance	National Conference of State Historic	The Trust for Public Land
Breeders' Cup Limited	Preservation Officers	The Vital Ground Foundation
CA Association of Winegrape Growers	National Trust for Historic	The Wildlife Society
Campfire Club of America	Preservation	Theodore Roosevelt Conservation
Civil War Preservation Trust	National Wild Turkey Federation	Partnership
Congressional Sportsmen's	National Wildlife Federation	Trout Unlimited
Foundation	National Woodland Owners	United States Equestrian Federation
Conservation Force	Association	U.S. Forest Capital
Defenders of Wildlife	NatureServe	Wild Sheep Foundation
Delta Waterfowl Foundation	North American Grouse Partnership	Wildlife Forever
Ducks Unlimited	North Dakota Natural Resources Trust	Wildlife Management Institute

Five Ways Members of Congress Can Help

- Become a cosponsor of legislation to make the easement incentive permanent:
 - Cosponsor H.R. 1831, introduced by Reps. Mike Thompson (D-CA) and Eric Cantor (R-VA). Contact Travis Robey (Thompson, 5-3311) or Wyatt Stewart (Cantor, 5-2815).
 - Cosponsor S. 812, introduced by Senators Max Baucus (D-MT) and Charles Grassley (R-IA). Contact Jo-Ellen Darcy at the Senate Finance Committee (4-3247).
- Join the Land Conservation Caucus:
 - Contact: Rep. Murphy (D-CT)—Jesse Young, Rep. Heinrich (D-NM)—John Blair, Rep. Gerlach (R-PA)—Ben Stolzfoos, or Rep. Pitts (R-PA)—Lauryn Schothorst.
- Arrange a field trip, media event or landowner forum with a land trust in your district, so you can see their work and help them inform local landowners:
 - Find a land trust near you at: www.lta.org/community/
- Take credit! Feature the renewed easement incentive in your constituent newsletter, a press release or an interview with agricultural press in your district.
- Contact Ways & Means Committee Chairman Charles Rangel and convey your support.

For more information visit: www.landtrustalliance.org/easementincentive/ or contact Sean Robertson at 202-638-4725 x319 or srobertson@lta.org.