

Important Update

Significant New Federal Tax Incentives Approved for Conservation Agreement (Easement) Donations

On August 17, 2006 President Bush signed into law significant new tax incentives for conservation agreement (easement) donations. The new law:

- Raises the deduction a landowner can take for donating a conservation agreement from 30% of their adjusted gross income in any year to 50%;
- Allows qualifying farmers and ranchers to deduct up to 100% of their adjusted gross income; and
- Increases the number of years over which a conservation easement donor can take those deductions from 6 to 16 years.

Clearly, this law provides substantial new tax incentives to landowners who wish to protect land. It is important to remember that every conservation agreement donation must meet the requirements of Section 170(h) of the tax code and every deduction must be based on a thorough, honest, realistic, and clear appraisal based on existing market conditions and a supportable analysis of land use possibilities.

The new tax incentives only apply to conservation agreement donations made in 2006 and 2007! Land trusts will urge Congress to extend these tax benefits, but if that doesn't occur, these incentives will expire January 1, 2008.

The Land Trust Alliance has detailed information about the bill and the new tax incentives at www.lta.org. Please contact your local land trust for more information about how the new tax incentives could benefit you. To find your local land trust, go to www.ctnc.org/ltmap.htm.

For Information About The NC Conservation Tax Credit

Visit <http://www.enr.state.nc.us/conservationtaxcredit/>

Contact Bill Fournoy: bill.fournoy@ncmail.net

Or call: (919) 715-4191