



The Enhanced Federal Tax Incentive for Conservation Easement Donations Has Been Made Permanent

In a great victory for landowners interested in conservation the enhanced tax incentive for conservation easement donations has been made permanent. In strong bipartisan action, the House voted 318-109 and the Senate voted 65-33 to pass the bills that included the incentive, and, the president signed it into law on December 18, 2015, and it applies retroactively to January 1, 2015. An earlier version of the incentive expired December 31, 2014. The incentive, considered by many to be the most important conservation legislation in 20 years, encourages landowners to place conservation easement on their land to protect important natural, scenic and historic resources.

First enacted in 2006, the incentive is directly responsible for conserving more than two million acres of America's natural outdoor heritage. Lands placed into conservation easements continue to be farmed, grazed, hunted or used for outdoor recreation and wildlife conservation.

If you own land with important natural or historic resources, donating a voluntary conservation easement (also called conservation agreement) can be one of the smartest ways to conserve the land you love, while maintaining your private property rights and possibly realizing significant federal tax benefits.

This summarizes the conservation easement tax incentive and provides answers to some frequently asked questions. The incentive:

- **Raises the deduction a donor can take for donating a conservation easement from 30 percent of his or her income in any year to 50 percent;**
- **Allows qualifying farmers and ranchers to deduct up to 100 percent of their income;**
and

- **Extends the carry-forward period for a donor to take tax deductions for a voluntary conservation agreement from 5 to 15 years.**

What Is a Conservation Easement?

A conservation easement is a legal agreement between a landowner and a land trust or government agency that permanently limits uses of the land in order to protect its conservation values. It allows landowners to continue to own and use their land, and they can also sell it or pass it on to heirs.

When you donate a conservation easement to a land trust, you give up some of the rights associated with the land. For example, you might give up the right to build additional structures, while retaining the right to grow crops. Future owners will also be bound by the easement's terms. The land trust is responsible for making sure the easement's terms are followed.

Conservation easements offer great flexibility. An easement on property containing rare wildlife habitat might prohibit any development, for example, while an easement on a farm might allow continued farming and the addition of agricultural structures. An easement may apply to all or a portion of the property, and need not require public access.

If you would like more information on donating a conservation easement on your land to Friends of Hopewell Valley Open Space, please call our office at 730-1560.