

# Important Conservation Tax Benefits Extended for Landowners

Recent federal legislation temporarily extends tax benefits to Maine landowners considering voluntary land conservation agreements, such as conservation easements.

*The new provisions are only in effect through 2013* – so please contact Maine Coast Heritage Trust or your local land trust to learn more.

In brief, federal law includes the following enhancements for landowners who grant a conservation easement before December 31, 2013:

- **Raises the income tax deduction a donor can take for the easement from 30% of their adjusted gross income in any year to 50%.**
- **Extends the carry-forward period for a donor to take tax deductions from 5 to 15 years.**
- **Allows qualifying farmers and ranchers and forest landowners to deduct up to 100% of their income each year.**

These tax benefits offer an unprecedented opportunity to conserve wild places and working landscapes that are such an integral part of Maine's quality of life. The provisions allow modest income landowners to deduct much more than they could pre-

viously, bringing fairness to the tax code.

Voluntary conservation agreements, or conservation easements, have been a popular tool in Maine for decades, allowing families to conserve the land they love for public benefit, while keeping the land in private ownership. To learn more about these or other conservation options, please visit our website at [www.mcht.org](http://www.mcht.org). For more detail on the tax incentives for landowners, please visit the Land Trust Alliance website at [www.lta.org](http://www.lta.org).

## Example:

Under the *previous* law, a landowner with an adjusted gross income of \$50,000 a year who donated a conservation easement valued at \$500,000 could take a \$15,000 deduction for the year of the donation (30% of AGI) and an additional five years – a total of \$90,000 in tax deductions.

The extended law allows that same landowner to deduct \$25,000 for the year of the donation (50% of AGI) and then for an additional 15 years – a total of \$400,000 in deductions. If the landowner qualifies as a farmer or a rancher, he could deduct up to 100% of his income – and pay no federal income tax for ten years.

