



## **THE NEW CONSERVATION TAX CREDIT**

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For the past 6 years, the Land Trust Alliance and New York's 80+ land trusts have been working hard to create a state tax incentive for conservation. In 2006, our efforts finally paid off: New York's Conservation Tax Credit officially became part of the State tax code.

This innovative credit will give New York State landowners whose land is restricted by a permanent conservation easement an annual rebate of 25% of the property taxes paid on that land, up to \$5,000 per year. New York taxpayers will be able to claim this rebate when they file their 2006 state income tax returns. It is available to all owners of easement-restricted land, regardless of when the easement was created, provided that the easement was wholly or partially donated to a land trust or a governmental agency. A landowner with multiple easement-restricted parcels can claim more than one tax credit, but no individual taxpayer or corporation can claim more than \$5,000 in a single year. Eligible landowners will receive the rebate regardless of how much income taxes they owe.

Land trusts tell us that the Conservation Tax Credit will create a powerful incentive for conservation all across the state because it:

- Removes one of the most significant barriers to easement donations in NYS - the lack of property tax relief on easement-restricted lands;
- Enables landowners with modest incomes, such as retirees and farmers, to conserve their land without sacrificing financial security;
- Provides a powerful motivator for landowners to abide by the terms of their easements;
- Runs with the land so that successor owners will benefit from it as well as the original easement donors. This not only recognizes the ongoing public benefits of private land conservation, but also helps ensure that new owners, too, will comply with their easements.

And, importantly, the Conservation Tax Credit does not reduce local property tax revenues, so there is no negative impact on town and county budgets.

No other state has a tax incentive that will appeal to so many landowners and provide such lasting benefits. In the words of one land trust executive director, "This is a huge boon for conservation in our state!"

Soon the Department of Taxation and Finance will begin drafting regulations to implement the new tax credit. The Land Trust Alliance will continue to represent the interests of land trusts so that the tax credit is fairly administered, easily accessible to qualified applicants, and truly achieves its

objectives. Watch for updates as we work to make this pioneering tax incentive a model for the rest of the nation.

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