

August 4, 2006

Congress Approves Expansion of Tax Incentive for Conservation

The U.S. Senate and House of Representatives have approved a tremendous expansion of the federal tax incentive for conservation easement donations.

The new law:

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

The bill also includes sensible reforms that affect the appraisal process for all donated property and tighten the rules for easements on historic buildings. The bill language is slightly different than what was passed last fall by the Senate. President Bush is expected to sign the bill into law within the next few weeks.

http://lta.org/publicpolicy/tax_incentives_updates.htm

http://lta.org/publicpolicy/hr4_factsheet.htm

http://lta.org/publicpolicy/tax_incentives_qa.htm