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# CONSERVATION EASEMENTS

## & THE ENHANCED TAX INCENTIVE

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DESERT Foothills  
— LAND TRUST —

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# CONSERVATION EASEMENTS

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A prudent way to protect land for future generations.

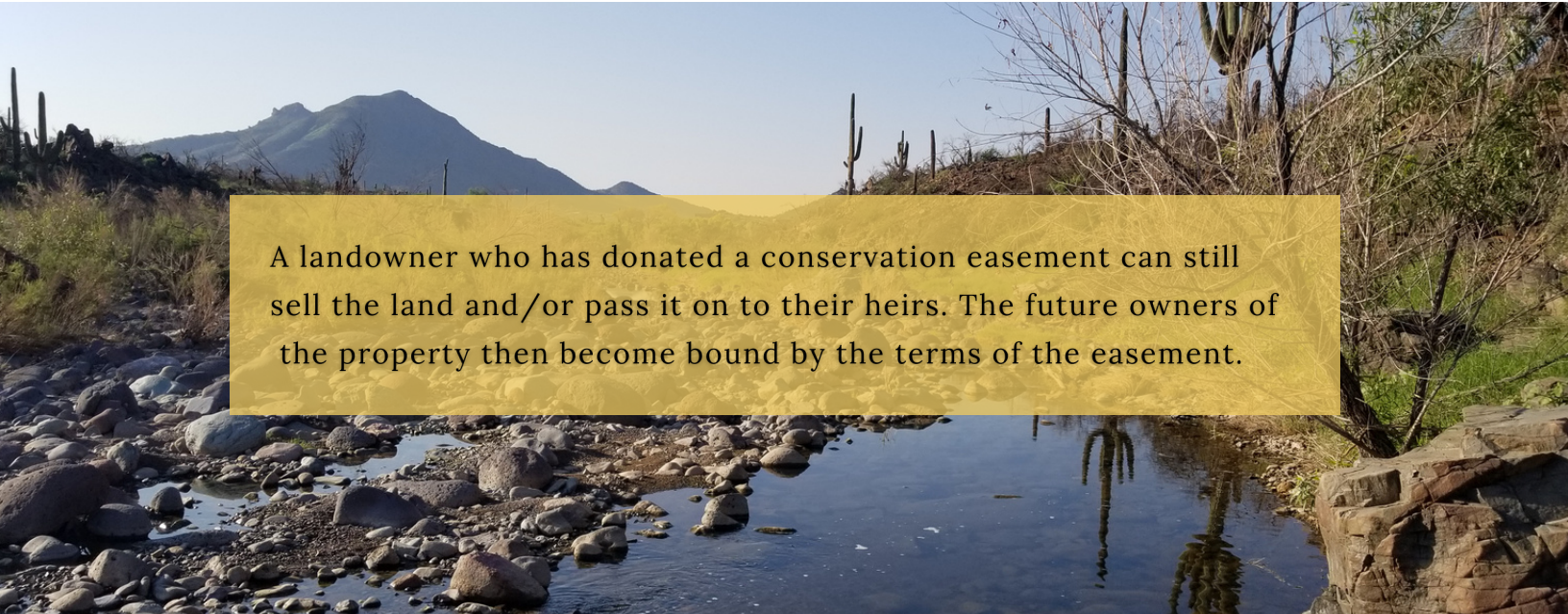
A conservation easement, also called a conservation agreement, is a traditional tool for conserving private land. Conservation easements offer private landowners great flexibility in protecting their land.

When a landowner donates a conservation easement to Desert Foothills Land Trust, they surrender some of the rights associated with the land. For example, they might give up the right to build additional structures, but retain the right to grow crops.

Once the conservation easement is in place the land trust is responsible for making sure that the landowner adheres to the agreed upon terms.

An easement may apply to all or a portion of the property, and may or may not allow for public access. A landowner who has donated a conservation easement can sell the land or pass it on to their heirs. The future owners then become bound by the terms of the easement.

On occasion, private landowners might sell a conservation easement, but usually easements are donated. If the voluntary donation to the land trust benefits the public by permanently protecting important conservation resources, and meets federal tax code requirements as specified in the Internal Revenue Code (IRC) 170(h), the landowner may realize significant tax savings for their charitable donation.



A landowner who has donated a conservation easement can still sell the land and/or pass it on to their heirs. The future owners of the property then become bound by the terms of the easement.



# THE CONSERVATION TAX INCENTIVE

How does the permanent, enhanced tax incentive work?

The conservation tax incentive was first temporarily enacted in 2006 and was made permanent in 2015 and increased the benefits to owners by:

- Raising the deduction a donor can take for donating a conservation easement to 50% of their annual income (previously 30%)
- Extending the carry-forward period for a donor to take a tax deduction for a conservation agreement to 15 years (previously 5 years)
- Allowing qualifying farmers and ranchers to deduct up to 100% of their income (previously 50%)

Easements may vary greatly in value. Most commonly, the highest easement values are found on tracts of open space under high development pressure.

A conservation easement donor can never deduct more than the fair market value of the gift. The permanent incentive simply allows landowners to deduct more of that fair market value.

The permanent incentive does not apply to gifts of land in fee, only qualifying gifts or conservation easements. When considering such a gift, the landowner should consult with their attorney, financial planner, or tax advisor.

For more information about conservation easements or the conservation tax incentive contact Desert Foothills Land Trust at: 480-488-6131 or [info@dflt.org](mailto:info@dflt.org).

