



*A peach farm blooms in Albemarle County.  
Photo by: David Anhold.*

## **Expanded Land Conservation Incentives in 2013**

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At the end of 2012 - as part of the Fiscal Cliff bill - Congress temporarily renewed a significant tax incentive for private landowners who voluntarily protect their land. As a result, conservation-minded landowners now have until December 31, 2013 to take advantage of a temporarily expanded federal income tax deduction for permanently protecting their land by donating a conservation easement.

A conservation easement is a voluntary agreement between a landowner and a land conservation organization (such as a public agency or a non-profit organization, like the Piedmont Environmental Council (PEC)) to permanently protect natural, scenic, and cultural resources on their land.

When landowners donate a conservation easement, they maintain ownership and management of their land. They can still sell the land or pass it onto their heirs—all the while ensuring that the property will be protected for the benefit of future generations. This temporary expansion of the federal income tax deduction makes 2013 a great year to donate a conservation easement.

Through the end of 2013:

- Easement donors can deduct the value of their donated conservation easement at the rate of 50% of their adjusted gross income per year (the deduction is typically limited to only 30% of income)
- Farmers and ranchers can use the deduction at the rate of 100% of their income
- Landowners can use the deduction in the first year and carry over any excess for an additional 15 years (the carry-forward was previously limited to only 5 years)

Virginia also has the best state income tax incentive in the nation for landowners who choose to preserve their land with a conservation easement. Specifically, conservation easement donors in Virginia are eligible for a Virginia Land Preservation Tax Credit—which is equal to 40% of the value of their donation.

In addition to being able to use this tax credit to pay their own Virginia income taxes, conservation easement donors can sell the credits to other Virginia income tax payers for cash. The ability to sell these credits is particularly important to land-rich, cash-poor landowners who may not have enough income to use all their credits to offset their own taxes. At the end of 2012, the demand and market price for these tax credits were stronger than ever.

The expanded federal incentive, coupled with Virginia's Land Preservation Tax Credit program, has contributed to the protection of hundreds of thousands of acres of productive farmland, scenic open space, important forest resources, and significant natural areas throughout the Commonwealth. In fact, in the nine-county region where the PEC works there are now more than 357,000 acres protected by conservation easements—representing 16.8% of the total land.

“The entire community wins when thoughtful landowners conserve their land this way—protecting wildlife habitat, clean drinking water, scenic landscapes, recreational spaces, and productive agricultural lands,” says Heather Richards, PEC's Vice President of Conservation and Rural Programs. “Conservation easements have become an important tool in the region for protecting our watersheds, farms and forests, and now there are over 357,000 acres of permanently protected private land in the nine county region of the northern Virginia Piedmont.”

To learn if a conservation easement is right for you and your family:

- Piedmont Environmental Council: <http://www.pecva.org/>; 540.347.2334.
- Virginia Outdoors Foundation: <http://www.virginiaoutdoorsfoundation.org/>.
- Virginia Department of Forestry: <http://www.dof.virginia.gov/land/index.htm>; 434/220-0000.
- Virginia Department of Conservation & Recreation Office of Land Conservation: [http://www.dcr.virginia.gov/land\\_conservation/index.shtml](http://www.dcr.virginia.gov/land_conservation/index.shtml); 804/225-2048.

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