



## **NEW YORK STATE CONSERVATION EASEMENT TAX CREDIT**

In 2006, New York enacted a Conservation Easement Tax Credit (CETC). This innovative credit gives 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. Landowners can claim this rebate when they file their New York State income tax return. 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.

The Conservation Tax Credit is a powerful incentive for conservation across the state because it:

- Removes one of the most significant barriers to easement donations in New York State, which is 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 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.

Land Trust Alliance is working with the New York State Department of Taxation and Finance and New York State Department of Environmental Conservation to ensure that the tax credit is efficiently administered and accessible to qualified applicants. The New York State Assembly and Senate approved the Conservation Easement Tax Credit Corrections Bill (A.7134/ S.4368) in the spring of 2008. However, Governor Paterson vetoed the legislation. Land Trust Alliance will continue to advocate for these improvements.

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