

BY Russell Shay and Sean Robertson



CHANGING PEOPLES' MINDS

TAMIA HEILEMANN

The purpose of the enhanced tax incentive for conservation easement donations we first won in 2006 was simple: **to allow modest-income farmers, ranchers and forestland owners to receive a fairer reward for their donations.**

Focusing on one deal at a time, it is easy to forget how important this is. As I write this, the law has reverted to the way it was in 2005—with an easement donor's deduction limited to 30% of his or her income, for six years. Under those rules, a farmer who is earning \$50,000 a year can take no more than \$90,000 in total tax deductions for his gift, no matter how valuable it is.

Those rules are an important reason why tens of thousands of farmers, ranchers and forestland owners never even

considered donating a conservation easement. They simply couldn't afford to give away their most valuable family assets for so little return. Donating an easement was simply not a practical option for them or their neighbors.

The enhanced incentive changed the rules to allow working landowners to deduct 100% of their income for up to 16 years. The landowner who was previously limited to \$90,000 in tax deductions could deduct \$800,000.

Farms, ranches and forests cover 1.3 billion acres of the lower 48 states. Yes, some of this land is owned by high-income individuals and corporations. But the vast majority of it is not. If we ever hope to protect landscapes rather than parcels, we need modest-income, working landowners to see conservation easements as a real option for them.

The creation of purchase of development rights programs by state and local governments and the creation of transferable state tax credits for easement donations have been important steps toward that, where they exist. The enhanced tax incentive for easement donations is another step, one that affects the entire country, and leverages private donations for conservation in ways the others do not.

The goal is not just to make deals happen—it is to make conservation a viable option that gets thought about, talked about, and carefully considered by landowners everywhere—including lots of places where, without the enhanced incentive, there would be no practical reason to donate.

Renewing the enhanced incentive has been far more difficult than we counted on. It has required persistence and resources that are difficult to muster in these tough times. But it is important for the future of land conservation in America, and we will continue to ask for your help to make the incentive a permanent part of federal law. —RUSSELL SHAY

Senate Estate Tax Bills

As this issue goes to press, we're in active discussions with several senators to introduce legislation to provide special treatment for



LEFT: More than three dozen land trusts attended the White House Conference on America's Great Outdoors on April 16. Alliance President Rand Wentworth and Executive Vice President Mary Pope Hutson stand at the center. For a full list of participants and other information visit www.lta.org/greatoutdoors.

FAR LEFT: Lynne Sherrod, western policy manager for the Alliance (seated at right) spoke on Agriculture Secretary Tom Vilsack's panel on working lands at the America's Great Outdoors conference. Lynne shared inspiring stories from her decades of work with the ranching community.

SEAN ROBERTSON

land in the estate tax bill. Estate tax reform legislation could even be a vehicle for making the enhanced easement incentive permanent! Details and timing on estate tax legislation remain quite fluid, so please visit www.lta.org/estatetax for the very latest. •

America's Great Outdoors

On April 16, over three dozen land trust leaders attended a White House Conference on America's Great Outdoors. It's our hope that this conference, and the regional listening sessions that follow, will launch a new generation of incentives for landscape conservation across America.

At the conference, President Obama praised the work of America's 1,600 land trusts to conserve working farm, ranch and forest lands, and the Alliance's own western policy manager, Lynne Sherrod, spoke on the working lands panel. In the months ahead we'll need your help reminding the administration that land trusts are important partners in this effort, which should include not just enhancements of the Land and Water Conservation Fund but also farm bill conservation programs and tax incentives for private land conservation. For more information, visit www.lta.org/greatoutdoors. •

Budget Boosts LWCF, Cuts Ag Programs

President Obama's Fiscal Year 2011 Budget Request seeks an additional \$167 million for the Land and Water Conservation Fund, keeping it on track for his promise of full funding by 2014. This year's request includes \$384 million for federal land acquisition, \$50

million for stateside LWCF and \$100 million for the Forest Legacy Program.

In 2008 we celebrated \$1 billion in new funding for easement programs in the Farm Bill over the next five years, but the appropriations committees can choose to reduce these amounts. Unfortunately, the President's budget recommends such cuts to the Grasslands Reserve and Farm and Ranchland Protection programs, among others.

The President's budget is just a request to Congress, so we need your help supporting LWCF and fighting cuts to farm bill programs. Last year, Congress restored full funding after similar cuts were proposed. Visit www.lta.org/FY11Budget to learn more. •

State Tax Credits, Exemptions & Funding Under Attack

As state budget crises worsen, land trusts can't afford to take anything for granted, even a venerable organization like Maryland Environmental Trust. In February, legislative staff proposed eliminating MET, a quasi-governmental land trust that holds or co-holds most of Maryland's conservation easements. Maryland's conservation community rallied to beat back this threat and restore full funding, but such drastic proposals have become increasingly common.

Colorado's transferable tax credit has been a model for encouraging conservation easement donations, but the estimated \$52 million in credits in 2009 made it an attractive target as the state budget worsened. In a negotiated compromise to avoid a more drastic, permanent cut, Colorado's land trusts agreed to support a bill that will cap the credit at \$26 million in each of the next three years.

Even the tax exemptions that land trusts enjoy as public charities are at risk. Independent Sector, a national association of charities, is tracking proposals to alter nonprofit tax exemptions or institute new fees in at least 24 states.

Now more than ever it's essential that land trusts show their local, state and federal officials just how important the work they do is for their communities. Whenever possible, demonstrate how you're reducing the burdens of government by providing recreational opportunities and reducing the need for public services in far-flung areas. Visit www.lta.org/budget-threats for more details. •

New Mexico Enacts Land Fund

A recent victory in New Mexico shows that, even in a tough budget year, building relationships with your legislators can pay big dividends. On March 8, Governor Bill Richardson signed into law the Natural Heritage Conservation Act, creating a new fund for private land conservation with \$5 million in initial appropriations. This victory was made possible through the combined efforts of New Mexico land trusts, national and state conservation organizations, sportsmen's groups and agricultural organizations working together with the governor's office and state agencies over the past five years. Visit www.nmlandconservancy.org to learn more. 🌿

In the Know

Hiring and Healthcare Incentives!

The healthcare and jobs bill tax credits work for nonprofits! Your land trust may be able to reduce payroll tax payments if you offer health insurance or hire unemployed workers. Read more at www.lta.org/staff#benefits.