

# Ranchers and Farmers Depend on Conservation Easement Tax Incentives

THE ENHANCED TAX INCENTIVE FOR CONSERVATION EASEMENT DONATIONS

Healthy land. Plentiful water. These basic necessities that preserve our ranching and farming traditions are increasingly at risk due to land development and fragmentation. Ensuring America's agricultural heritage now depends on how well we protect our natural world.



Crawford Ranch, Teton River, Montana. © Dave Hanna

The Nature Conservancy supports the enhanced income tax deductions for conservation easement donations.

We can help conserve America's ranch and farm lands with legislation that guarantees a permanent extension of the enhanced tax incentive for conservation easement donations, one of the most effective tools for conserving private working lands across the country.

More than one million acres of working agricultural lands, including ranches, farms and forests, are lost to development each year. Conservation easements provide landowners with a way to permanently protect their land from development. Ranchers and farmers have successfully protected 14 million acres of wildlife habitat and open space in the United States.

In 2010, Congress extended for one year the popular tax incentive that encourages farmers and ranchers to protect their lands.

The enhanced income tax deduction for conservation easement donations benefits landowners by, raising the deduction a donor can take for donating a conservation easement from 30% of the adjusted gross income to 50%, with farmers and ranchers being permitted to deduct up to 100% of their income. The incentive also extends the carry-forward period for a donor to take tax deductions for voluntary conservation agreements from 5 to 15 years.

The Nature Conservancy urges Congress to make the enhanced income tax deduction permanent.

## **BENEFITS**

- Keeps working lands working
- Conserves wildlife habitat
- Preserves open space
- Prevents subdivision
- Preserves rural economy and jobs
- Protects natural resources

## Saving an American Way of Life

The enhanced income tax deduction has allowed family farmers, ranchers, and other moderate-income landowners to receive a significant tax benefit for donating a conservation easement on their land. Legislation to make the tax incentive permanent has been introduced in the House (H.R. 1964) with 264 co-sponsors from all 47 states, including the Chairman, the Ranking Democrat and a majority of both parties on the Ways and Means Committee; and in the Senate (S. 339) with 11 co-sponsors, including the Chairman of the Finance Committee.

## Success Stories

The Nature Conservancy holds over 2,200 easements that have helped protect over 2,500,000 acres of land throughout the United States.

### SAVANNAH RIVER PRESERVE, SOUTH CAROLINA



Conservation easement donor, Thomas Rhodes, and his son, Scott, surveying the results of a prescribed burn in a longleaf pine forest on their property, Oak Grove Plantation in Hampton County, SC. Photo courtesy of Scott Rhodes

Conservation easements in the Savannah River Preserve, a 700,000-acre landscape along the Savannah and Coosawhatchie Rivers, have safeguarded many rural landowners' ability to continue their traditional land uses in hunting, fishing, farming and forestry and to continue supporting jobs in each of these industries. The Preserve is comprised of diverse riparian and isolated wetland habitats. Longleaf pine and native grasses are steadily making a comeback, providing important habitat for the federally

endangered red-cockaded woodpecker and the bobwhite quail. During the first two-year period of the enhanced easement tax incentive, the Savannah River Preserve experienced an unprecedented groundswell of easement related land protection, which helped to conserve existing rural land uses and jobs in this spectacular natural area.



Meadow Vue Ranch by Henry's Lake, Idaho. Photo © Kirk Keogh

### GILMORE RANCH, COLORADO

The 1,025-acre Gilmore Ranch contains three miles of the Rio Grande River, cottonwood forest, wetlands, irrigated meadows and land used for alfalfa production and cattle ranching. Family-owned for two generations, Jim and Tom Gilmore decided to place a conservation easement on their property because they value the significant wildlife and water resources on their ranch. With the protection of the easement, portions of Gilmore Ranch have not been grazed to ensure regeneration of cottonwood forest, and the establishment of vital habitat for southwest willowflycatchers and bald eagles.

### TETON RIVER, MONTANA

Crawford Ranch, a 12,130-acre ranch along the Teton River, contains a diversity of habitat including mixed grass and fescue grasslands, as well as extensive riparian and wetland areas. These habitats support sensitive plant species and declining grassland birds. Crawford Ranch is adjacent to the eastern edge of The Nature Conservancy's Pine Butte Swamp Preserve and is a key link between our work at Pine Butte and 20,000 acres of protected grasslands. This ranch has some of the highest density of seasonal grizzly bears in Montana. The ranch has been protected with investments from the Land and Water Conservation Fund, private philanthropy and a donated conservation easement by the landowner. This is the largest conservation easement held by the U.S. Fish and Wildlife Service in the lower 48 states.

#### FOR MORE INFORMATION

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