Congress of the United States Washington, DC 20515

HELP SAVE OPEN SPACES -COSPONSOR H.R. 2807

Dear Colleague:

What do the Administration's Fiscal Year 2015 (FY15) budget, Chairman Camp's tax reform discussion draft, and 173 bipartisan colleagues in the U.S. House of Representatives have in common? They agree that there should be a permanent, enhanced tax incentive for conserving open spaces and farmland. Conservation easements are an important tool allowing landowners to retire development rights on their land to conserve significant natural resources. They are critical for protecting clean water, conserving wildlife habitat and protecting farmland and working forests.

That is why we are pleased to see that the provisions found in our legislation, H.R. 2807, the Conservation Easement Incentive Act, are in the Administration's FY15 budget and Chairman Camp's tax reform proposal. These proposals would make permanent an enhanced income tax deduction for voluntarily forgoing future land development.

Here's how the incentive works. Landowners who donate a qualified conservation easement on their land may deduct its fair market value, but caps under permanent law prevent donors with modest incomes from deducting more than a small portion of their gift. The enhanced incentive makes this deduction work for all landowners by allowing them to deduct an amount equivalent to 50% of their income (100% for farmers and ranchers) and carry forward the remaining value of their gift for up to 15 years.

Unfortunately, the enhancement expired at the end of 2013. Since it can take <u>up to four years</u> to complete the process of placing land into a conservation easement, making the enhancement permanent will afford landowners the stability and certainty needed to complete their long-term planning. The enhanced tax incentive for conservation easements first passed in 2006 and has boosted donations of conservations easements by a third—to over a million acres a year.

Given the broad bipartisan support for these provisions—from the Capitol to the White House, from Pennsylvania to California—we invite you to formally demonstrate your support for saving open spaces by cosponsoring H.R. 2807, the Conservation Easement Incentive Act. With your help, we can make this the year that the enhanced conservation easement tax incentive becomes a permanent reality.

Please contact Lauryn Schothorst with Rep. Gerlach (<u>Lauryn.Schothorst@mail.house.gov</u>) or Lakecia Foster with Rep. Thompson (<u>Lakecia.Foster@mail.house.gov</u>) to cosponsor.

Sincerely,

Jim Gerlach

Member of Congress

Mike Thompson Member of Congress