

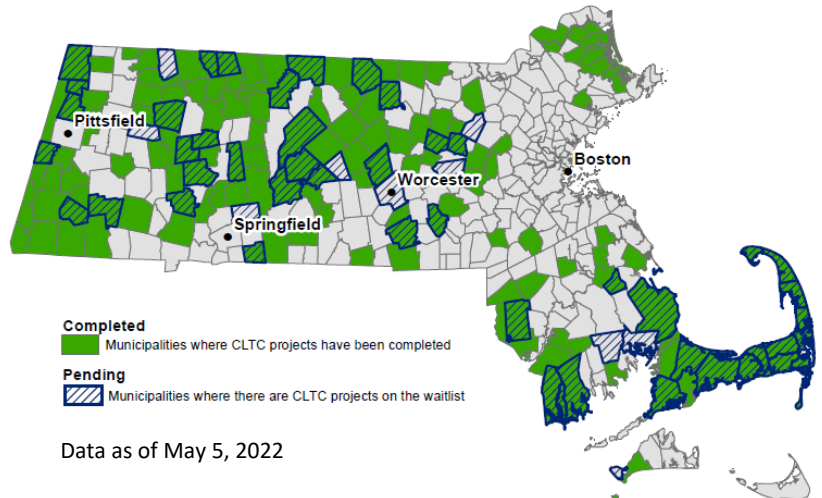
Support the Conservation Land Tax Credit

We respectfully request your support for **HD.2442**, sponsored by Representative Jones and Representative Pignatelli, and **SD.418**, sponsored by Senator Tarr and Senator Eldridge, to increase the annual cap for the Conservation Land Tax Credit (CLTC) incentive program. The bill was reported favorably by Revenue Committee during the 2021-2022 session. This bill will:

- **Raise the annual cap** of the CLTC Program from \$2 million to \$5 million incrementally over three years. This is critical as the program is in high demand; the **current waitlist is over two years long**.
- **Amend the definition** of a "public or private conservation agency" to include private nonprofit trusts that are 501(c)3s organized for conservation purposes.
- **Sunset** the enhanced credit after 10 years.

The CLTC has led to the conservation of **15,416 acres** of critical natural resources in **150 municipalities** (14 cities and 136 towns). The receiving entities of land donations include:

- **58 municipal entities**, including cities, towns conservation commissions and water districts;
- **47 local, regional, and statewide land trusts**; and
- **State agencies**, including the Departments of Agricultural Resources, Conservation and Recreation, and Fish and Game.



Why Now?

An Ever-Growing Waitlist

The program operates on a first-come-first-served basis, and there is a **two+ year long waiting period** for new landowners hoping to conserve land under this program, which has a chilling effect on landowner participation. There is an **unprecedented transition in ownership** across the state, and many **landowners cannot wait** years to complete land deals, as they have pressing financial needs. The CLTC is a **refundable tax credit** for conservation, which is critical for **low-income landowners**. According to the Department of Revenue, 67% of landowners who participated in the program in 2019 had an adjusted gross income under \$200,000.

A Tool for Carbon Sequestration and Storage

The CLTC is an important and cost-effective tool to permanently protect land, thereby ensuring its ability to sequester and store carbon into the future. The 2021 Next Generation RoadMap Climate law recognizes the critical role of our natural and working lands in reaching our Net Zero climate goals, and the 2050 Clean Energy and Climate Plan (CECP) calls for the protection of **40% of the state's lands and waters by 2050**. To meet this ambitious goal, we must increase the pace and scale of land conservation. Both the 2025/2030 CECP and the Commonwealth's Resilient Lands Initiative Vision call for the CLTC to be increased, due to the program's success, security, and cost-effectiveness. **The CLTC has the potential to protect an additional 15,000 acres over the coming decade, but only if lawmakers expand the tax credit now.**

Tremendous Public Benefit

The CLTC often helps to create **more accessible, public open space**. It also incentivizes the conservation of **ecologically and economically valuable lands**, including working farms and forests, wildlife habitat, and drinking water sources.

Once natural and working lands are developed, the loss is irrecoverable.

Background

Launched in 2011, the CLTC program allows taxpayers (individuals and corporations) to apply for a state income tax credit for qualified donations of certified land to a public or private conservation agency. The certification process is conducted by the Executive Office of Energy and Environmental Affairs for land that is permanently protected and has significant conservation value, such as farming or forestry, wildlife protection or water quality. Currently, the credit is subject to an annual \$2 million cap and is equal to 50% of the fair market value of the qualified donation up to a maximum credit of \$75,000 for each qualified donation.

This is a refundable tax credit – the donor receives a rebate on any income taxes due for that calendar year. If the credit exceeds taxes due, then the donor receives a refund check for the difference. Land trusts and conservation organizations often play a key role in assisting landowners throughout the donation process.

Over ten years of the program, \$20.3 million in tax incentives (credits and refunds) have led to:

- **\$83.7 million in private land value gifted (a leverage of \$1 state funds to \$4.20 donated value):**
- **\$202 million in private land value conserved; and**
- **15,416 acres of certified ecologically significant land conserved in perpetuity**, including prime forest soils (working forests), prime agricultural soils (working farms), source water lands, and habitat for fish and wildlife.

CLTC Program Numbers through April 2022

Calendar Year	Projects Completed	Projects Pending	Sum of Acres Protected	Total Appraised Value of Gifts	Total Tax Credits Awarded	Leverage Ratio
2011	22		916	\$4,810,150	\$975,725	4.93
2012	43		2,567	\$11,063,837	\$1,755,794	6.3
2013	44		1,626	\$8,804,911	\$1,967,250	4.55
2014	51		2,521	\$7,640,540	\$1,990,770	3.84
2015	36		1,306	\$7,062,500	\$2,000,000	3.53
2016	32		1,410	\$6,912,220	\$2,000,000	3.46
2017	30		821	\$6,750,620	\$1,930,000	3.5
2018	31		859	\$9,263,430	\$2,000,000	4.73
2019	29		650	\$7,851,500	\$1,760,500	4.46
2020	32		1,153	\$6,415,137	\$2,000,000	3.21
2021	30		1024	\$7,140,102	\$1,938,000	3.68
2022		24*				
2023		23**				
2024		43***				
Grand Total	380	90	14,853	\$ 83,714,947	\$ 20,318,039	4.2

* 24 projects, protecting an additional 998 acres, were committed for 2022.

** 23 projects are committed for 2023, which are expected to protect about 323 acres.

*** 43 additional projects been submitted but will not receive credits until 2024 or later. These would protect at least an additional 1,240 acres.

For more information, contact:

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