



Tax Incentives for Land Conservation Donations in Georgia

This Document Is Provided For Informational Purposes Only. Donors Should Always Consult A Tax Professional To Confirm Current Incentives, Their Eligibility, and to Get Assistance In Claiming Their Tax Benefits.

1. Federal Income Tax Benefits for the Donation of Conservation Land (fee title or easements)

- Donations of qualified conservation easements made in years 2008-2011 are eligible for an income tax deduction of up to 50% of the donor's adjusted gross income (AGI), up to the appraised value of the donation. If the donor is a qualified farmer or rancher, 100% of AGI can be deducted. The deduction can be used over a 16-year period. These expanded incentives are due to expire in 2012 unless renewed by Congress.
- Fee-title donations are eligible for a deduction of up to 30% AGI and can be used over 6 years.
- To claim the federal deduction, donors must complete IRS Form 8283 with the value of the donation (as determined by a qualified appraisal) and signatures of the appraiser and donee organization.

2. State Income Tax Benefits for the Donation of Conservation Land (fee title or easements)

- *The Conservation Tax Credit Act* was passed by the Georgia General Assembly in 2006, which allows donors of qualifying conservation lands or conservation easements to earn a state income tax credit of up to 25% of the appraised value of the conservation easement or fee-simple donation.
- The amount of the credit is capped at \$250K (individual), \$500K (corporations) or \$1M (partnerships in aggregate). The credit may be used over a maximum of 11 years.
- All donations must be certified by the Department of Natural Resources to receive the tax credit. Applications for certification can be accessed online at <http://www.glcp.ga.gov/taxcredit>.
- Beginning in 2012, the state conservation tax credit will be transferable.

3. Estate Tax Benefits:

- In a large estate, high tax assessments typically occur and are payable to the Federal government within 9 months of death. Donating property or a conservation easement on property will likely reduce the value of an estate, and thereby reduce or even eliminate estate taxes for heirs.
- A conservation easement may help avoid a forced sale of land to pay estate taxes and keep the property in family ownership and management.

4. Property Tax Benefits:

- The assessed value of a property *may* be reduced by a conservation easement because it restricts the future use of the property. *However*, determining assessed value is at the discretion of the local tax assessor. By law, donors are entitled to a review of the property's assessed value after donating a conservation easement. Contact your local tax assessor's office for more information.
- The Conservation Use Valuation Assessment (CUVA) and Forestland Protection Act programs provide property tax reductions without requiring a permanent conservation easement. Since the associated restrictions are temporary (10 or 15 years), enrollees are not eligible for federal or state tax benefits. Visit <https://etax.dor.ga.gov/PTD/index.aspx> for additional details. Donors of conservation easements with qualifying land may enroll in CUVA to lower property taxes. Contact your local tax assessor's office for more information on eligibility and enrollment periods.



A Comparison of Land Conservation Tax Incentives in Georgia

Differences between the Federal Tax Deduction, Georgia's Land Conservation Tax Credit and Local County Conservation Valuation Assessment Programs

	Federal Income Tax Deduction	State Income Tax Credit	Property Tax Relief: Conservation Use Valuation Assessment or Forestland Protection Act
Qualified Donations	Donation or bargain sale of a permanent conservation easement or fee-title donation of property	Donation or bargain sale of a permanent conservation easement or fee-title donation of permanently protected property	N/A – temporary covenants only
Amount of Incentive	Between 2008-2011: can deduct up to 50% of Adjusted Gross Income (AGI) for easement donations (100% of AGI for farmers & ranchers) and 30% of AGI for fee-title donations;	Credit worth 25% of donation value, up to \$250K (individuals), \$500K (corporations), and \$1M in aggregate for partnerships	A reduction of assessed value for property tax purposes
Length of Incentive	Between 2008-2011: Tax year plus 15-year carry forward for easements, 6 years for fee-title	Tax year plus 10-year carry forward. Beginning in 2012, tax credit will be transferable.	10-year (CUVA) or 15-year (FPA) agreement required
Donee Eligibility	Must be a “Qualified Organization” as defined in US Treasury Regulations	Must be a “Qualified Organization” and certified by the GA Department of Natural Resources according to Department Rules	N/A – covenant is between landowner and local county tax assessors’ office
Donation Value	Must be established by a qualified appraisal for tax purposes	Must be established by a qualified appraisal for tax purposes	Reduction of property assessed value based on productivity tables
Eligible Land	Must have “Conservation Purposes” as defined by US Treasury Regulations	Donations must be certified by the Georgia Department of Natural Resources as meeting conservation purposes	Must meet ownership and acreage requirements and be Agricultural, Forestland or Environmentally Sensitive Land.