



Please Support Budget Amendment #262: Increasing the Conservation Land Tax Credit

Led by Senator Bruce Tarr

Note: Amendment #262 is the same as this session's S.1986 (led by Sens. Tarr and Hinds), which is also the same language reported favorably by the Joint Committee on Revenue in 2020. In addition, during the FY22 Budget debate, the House unanimously adopted, through a roll call vote, this same language as an amendment.

This amendment would:

- **Raise the annual cap** of the CLTC Program from \$2 million to \$5 million (a combined total of credits for individuals and corporations) by increasing the cap by \$1 million per year for three years. This is critical as the program is in high demand; current commitments have already rolled forward to 2024 and beyond.
- **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** (or expire) the enhanced credit on December 31, 2031.

Program Description: 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 and 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.

Conservation Outcomes and Efficiency:

- The CLTC program has been used to permanently conserve **13,830 acres** of certified land of significant conservation value, including prime forest soils (working forests), prime agricultural soils (working farms), source water lands, and habitat for fish and wildlife, including for rare species.
- Each \$1 of state tax credit has leveraged \$4.25 of private land donated value.

Why Now: As of January 2021, total CLTC requests for 2021 and beyond are \$8,714,950. Of that, \$2M has been committed each to projects in 2021, 22 and 23. There remains an additional \$2,593,150 in requested projects being pushed into 2024 and beyond. As the program operates on a first-come-first-served basis, any new applications received this year will not be eligible for funding until 2024, at the earliest. Now is the time to raise the cap:

- Both the new climate law and the 2030 Clean Energy and Climate Plan recognize the role of our natural and working lands in addressing climate change. 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.
- 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.
- Use of our public outdoor spaces significantly increased during the pandemic, and the CLTC is an important tool for creating more and increasing public access to land that was once privately held.

Passage of this legislation is an enormous opportunity to conserve ecologically and economically valuable lands, as well as to advance our climate change goals. Once they are developed, the loss is irrecoverable.

CLTC Program Numbers through January 2021

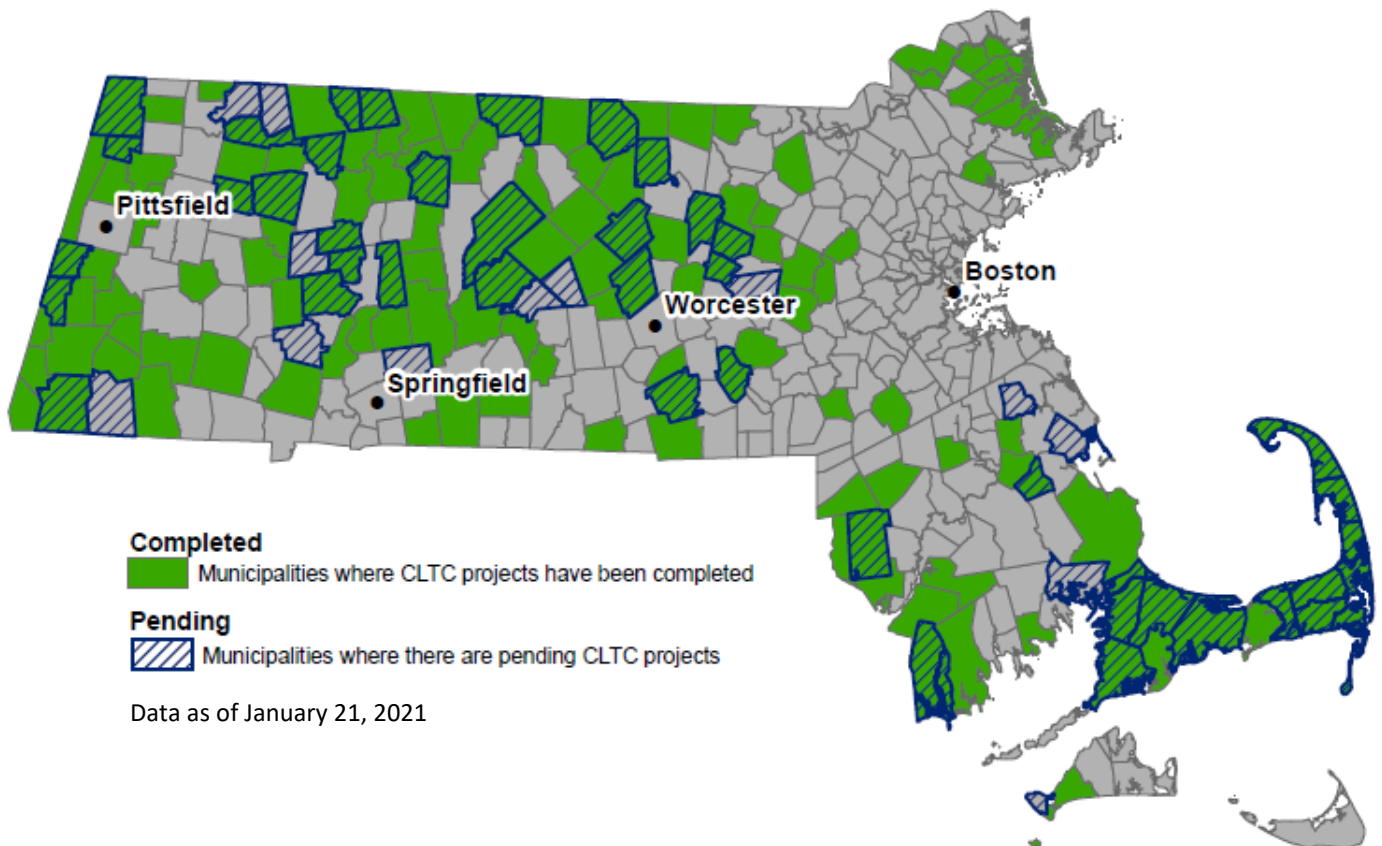
Calendar Year	Projects Completed	Projects Pending	Sum of Acres Protected	Total Appraised Value of Gifts	Total Tax Credits Awarded	Leverage Ratio
2011	22		916	\$4,810,150	\$975,725	4.93
2012	43		2,567	\$11,063,837	\$1,755,794	6.3
2013	44		1,626	\$8,804,911	\$1,967,250	4.55
2014	51		2,521	\$7,640,540	\$1,990,770	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*		33				
2022**		21				
2023***		25				
2024		37****				
Grand Total	350	116	13,829.70	\$ 76,574,845	\$ 18,380,039	4.25

* **33 projects, valued at \$2 million in credits and protecting about 1,954 acres, are committed for this year.**

** **21 projects** are committed for 2022, which are expected to protect about **400 acres**.

*** **25 projects** are committed for 2023, which are expected to protect about **350 acres**.

**** The number of projects that have been submitted but will not receive credits until 2024 or later. **These would protect at least an additional 732 acres.**



For more information, contact: Emily Myron (The Nature Conservancy) at emily.myron@tnc.org or 617-532-8311