

## North Carolina Conservation Tax Credit Program

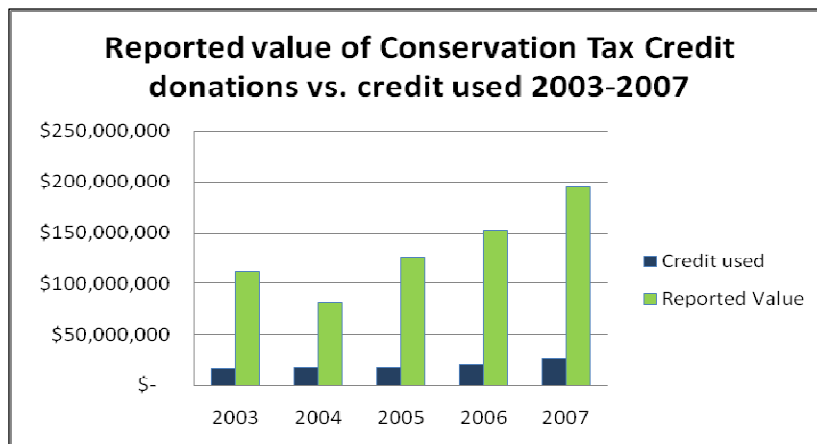
Land conservation is vital to North Carolina's economy, which the state's leaders have recognized by providing the **N.C. Conservation Tax Credit program**. This highly effective program supports land conservation that provides these valuable public benefits:

- Ecosystem functions (fish and wildlife conservation and conservation of natural areas),
- Ecosystem services (farmland conservation, watershed protection) and
- Other public benefits (public access to public trails, waters, and beaches).

The N.C. Conservation Tax Credit Program (NCCTC) works as an incentive for private landowners to voluntarily conserve their land in perpetuity. Landowners who donate a conservation easement or fee simple deed to a qualified recipient may receive a tax credit to apply against their state income taxes. This credit is equal to 25 percent of the fair market value of interest in real property donated for conservation purposes, with a cap on the amount of tax credit for which individuals and corporations could be eligible.

"The Commission finds that the tax credits for certain real property donations (G.S. 105-130.34 and G.S. 105-105-151.12) have been successful in encouraging private donations of valuable land for conservation purposes. The Commission recommends that the General Assembly consider an enhancement of these tax credits."

*From the Joint Legislative Commission on Land and Water Conservation 2007 Report to the General Assembly*



### **Effective Leverage Tool**

More than \$6 in the value of conserved acreage is gained for every \$1 lost in revenues due to the Conservation Tax Credit.\*

Since 1983, the Conservation Tax Credit has helped conserve more than 188,000 acres valued in excess of \$918 million.

When used in conjunction with bargain sales, the Conservation Tax Credit can yield substantial savings

for conservation trust funds, local governments, and nonprofit organizations purchasing land. It is estimated that all grantees (state, local and non-profits) have saved more than \$152 million through bargain sales facilitated by the tax credit initiative.

Interest in the NCCTC program has grown, with annual applications increasing from an average of 94 to 160 during the fiscal year 2007-08. Because our resources for conservation are limited, conservation frequently depends on landowners who love their land, and want to see it protected for future generations.

The N.C. Department of Environment and Natural Resources is completing a comprehensive review of the policies and guidelines used to implement the Conservation Tax Credit Program.

\*Based on applicants' reported value of donations of property interests, and the Department of Revenue's report on credit used 2003-07.

**For more information:** <http://www.onencnaturally.org/pages/ConservationTaxCredit.html>