



MASSACHUSETTS CONSERVATION LAND TAX CREDIT PROGRAM

What type of land conservation transactions may qualify:

- Donations and bargain sales of land and conservation restrictions (CR)
- Must be a perpetual conveyance:
 - land to state agency or town, or
 - land to incorporated land trust, subject to CR, or
 - CR to state agency, town, or incorporated land trust
- Must protect natural resources

How to take the credit:

- Landowner does not need to be a Massachusetts income tax payer or resident
- Need certification by state that land is eligible
- Tax credit is applied to donor's state tax liability during the year of the donation
If credit is larger than tax liability, the State will issue a check for the remainder of the approved credit (There is no carry forward into future tax years.)
- Credit is allocated in proportion to each owner's interest in the property
- Tax credit can be taken in addition to a claim for federal income tax deduction

Limitations on the taxpayer:

- Credit is lesser of 50% of appraised fair market value of land (or CR), or \$75,000
- If married, must file joint return with spouse
- Non-transferable (that is, the tax credit is specific to the donors/taxpayers)

Limitations on the State:

- \$2,000,000 in available state tax credits each year

Certification Process Outline:

1. Submit application showing important natural resources and how the land will be protected in perpetuity
2. Submit appraisal
3. Submit title certification and other due diligence
4. Record the donation (deed or CR)
5. File State Tax Return, including Schedule RF

QUESTIONS?

***For a free private
consultation, contact:
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***The Compact assists local
land trusts working with
landowners to protect their
lands. The Compact can
help guide the tax credit
process.***