

**NEW**

# Massachusetts Conservation Land Tax Credit

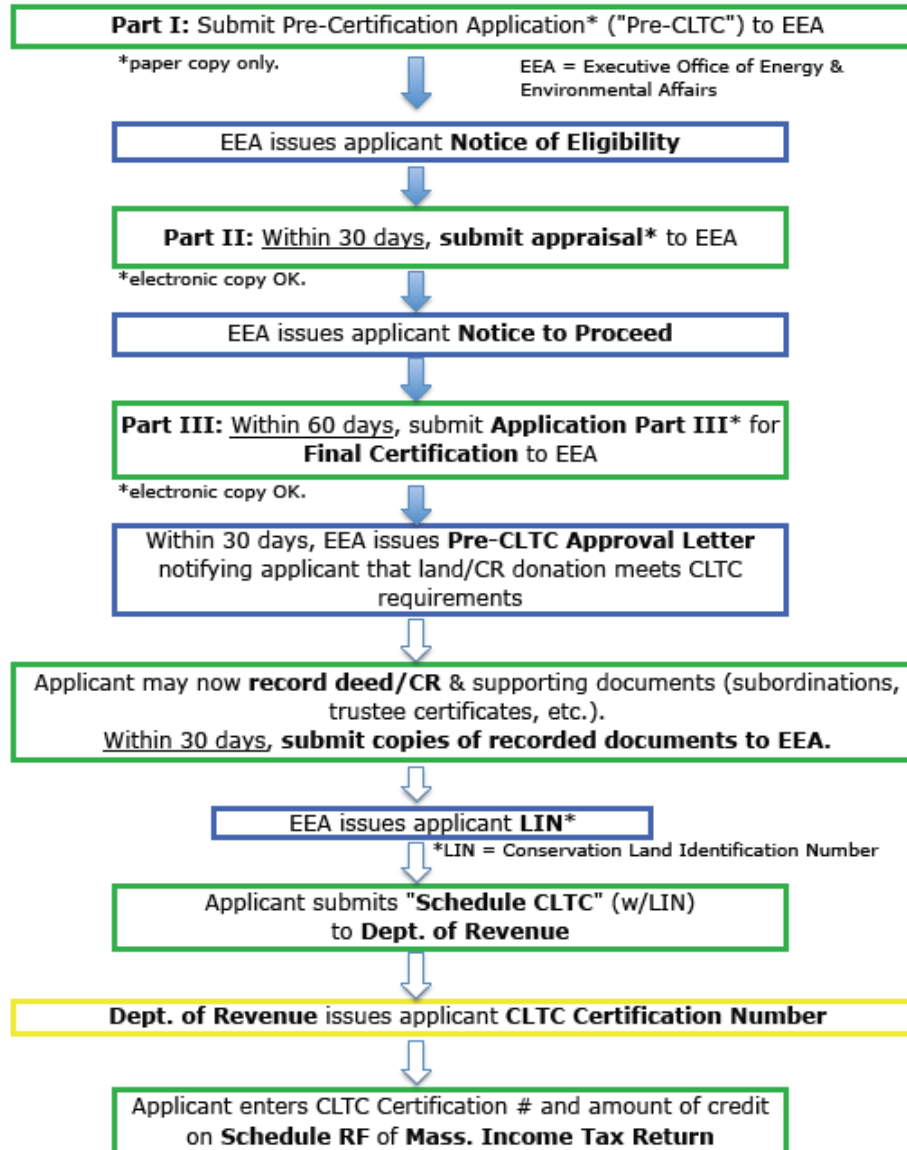


The Compact of Cape Cod Conservation Trusts

# **OVERVIEW of CLTC PROGRAM**

<b>Purpose</b>	provide credit for qualified donation of a property interest with “sufficient natural resources” in the public interest
<b>Transactions</b>	donations or bargain sale of fee or CR <u>must</u> be protected in perpetuity
<b>Donors</b>	<b>all</b> owners must agree to transaction credit is based on % interest in MA land, <u>not</u> residency status
<b>Donees</b>	government agency, town, <u>incorporated</u> land trust
<b>Land</b>	must have significant natural resource values (e.g., drinking water, rare species, agriculture)
<b>Monetary caps</b>	program cap = \$2 million per year credit cap per transaction = lesser of \$50,000 or 50% of appraised value of donation
<b>Non-transferable</b>	specific to donor
<b>Refundable</b>	if credit is larger than donor’s tax liability precludes “carry-over”

**Massachusetts Conservation Land Tax Credit (CLTC)  
Summary of Application Process**



# ***CLTC Application Attachments***

**Draft Deed**

**Draft Conservation Restriction**

**Recorded Deed(s)**

**Recorded Plan(s)**

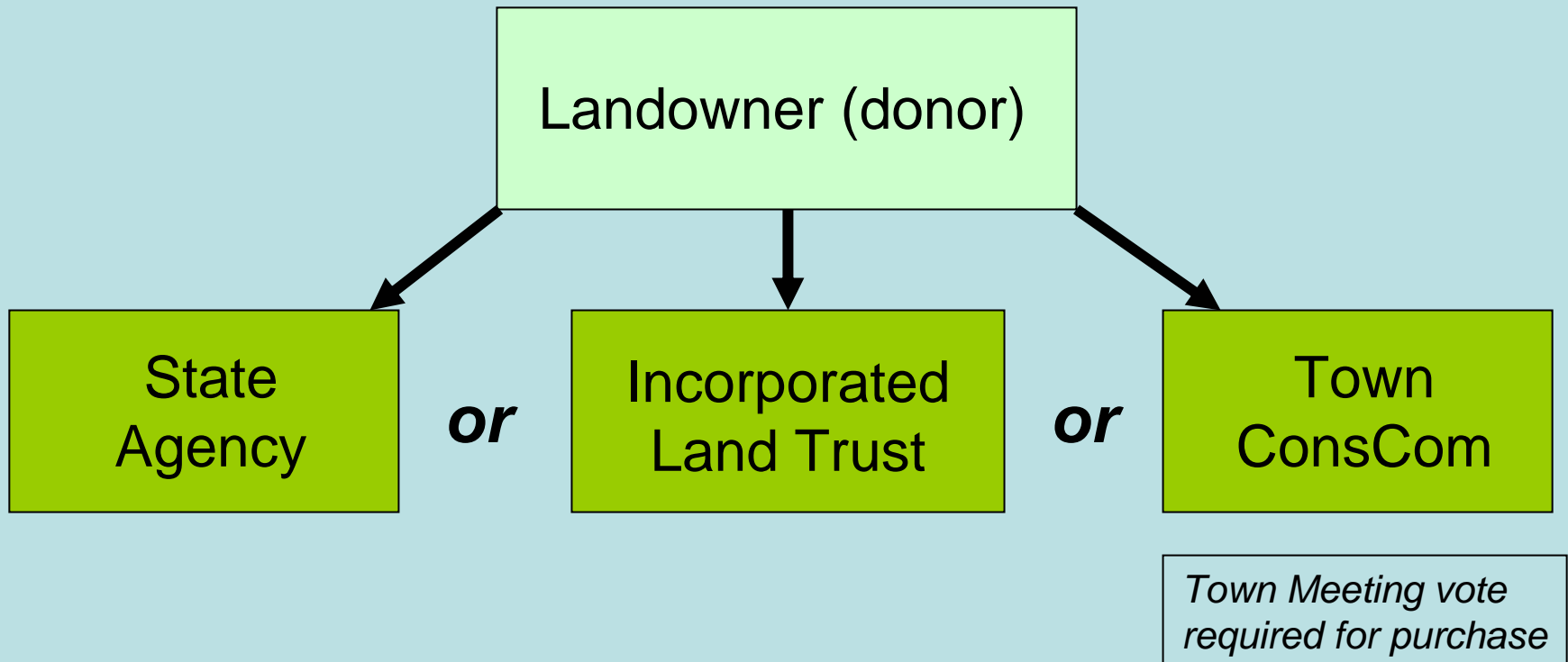
**Assessors Map(s)**

**Sketch (if less than entire property)**

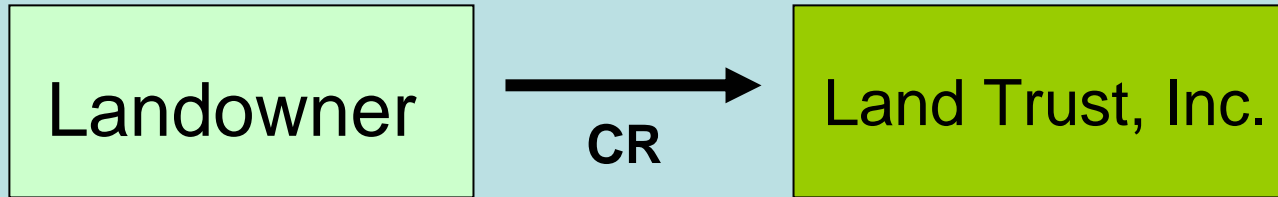
**Easements, liens, mortgages**

**Maps (e.g., Zone II, BioMap2, Prime Soils)**

# ***Donation or Bargain Sale of Conservation Restriction***



# ***Donation of CR to Land Trust***



*27 ac. of densely wooded upland  
on freshwater pond*

*Zone II Area of Contribution*

*Priority Habitat for rare species*

*BioMap 2*

*Public scenic view from:*

*--Town scenic road*

*--1/4 mi. along Town 'way to water'*

*-- pond*

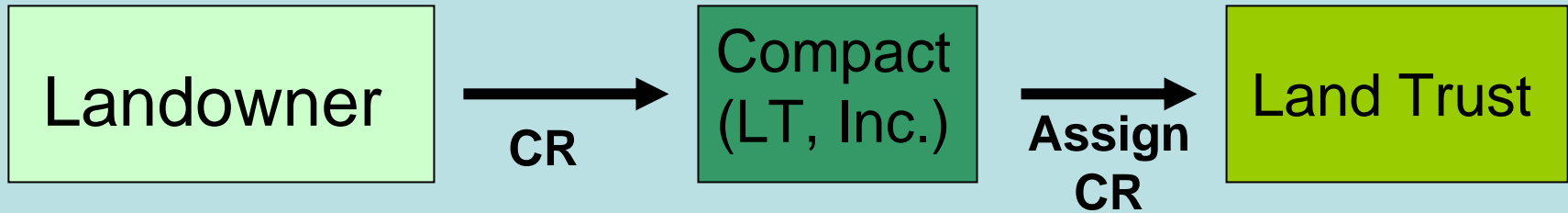
*--Town landing across pond*



## **KEY POINT:**

**Husband & Wife must file  
joint return**

# ***Donation of CR to Land Trust***



*Upland, coastal and wetland habitats  
on < one acre on Cape Cod Bay*

*Priority Habitat for rare species*

*BioMap 2*

*Living Waters*

*Noteworthy Scenic Landscape*

## **KEY POINTS:**

**Donee LT must be incorporated**

**Landowner can be non-resident**

**Credit based on % ownership**

**Importance of title examination**

**Timing of assignment**

# ***Donation or Bargain Sale of Land***

Landowner (donor)

#1 ↓ Deed

Land Trust A, Inc.

#2 ↓ CR

Land Trust B  
or ConsCom

Landowner (donor)

*or* ↓ Deed *or* ↓ Deed

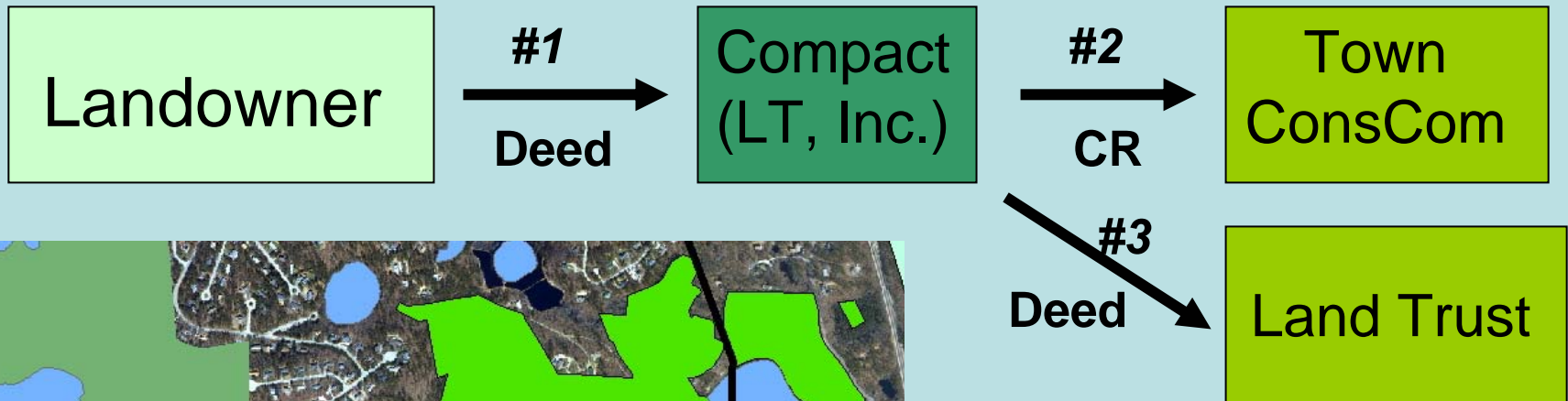
State Agency

Town

Must be held for conservation  
(Conservation Commission)  
Sale requires Town Meeting vote  
Land Trust often involved



# Donation of Land to Land Trust

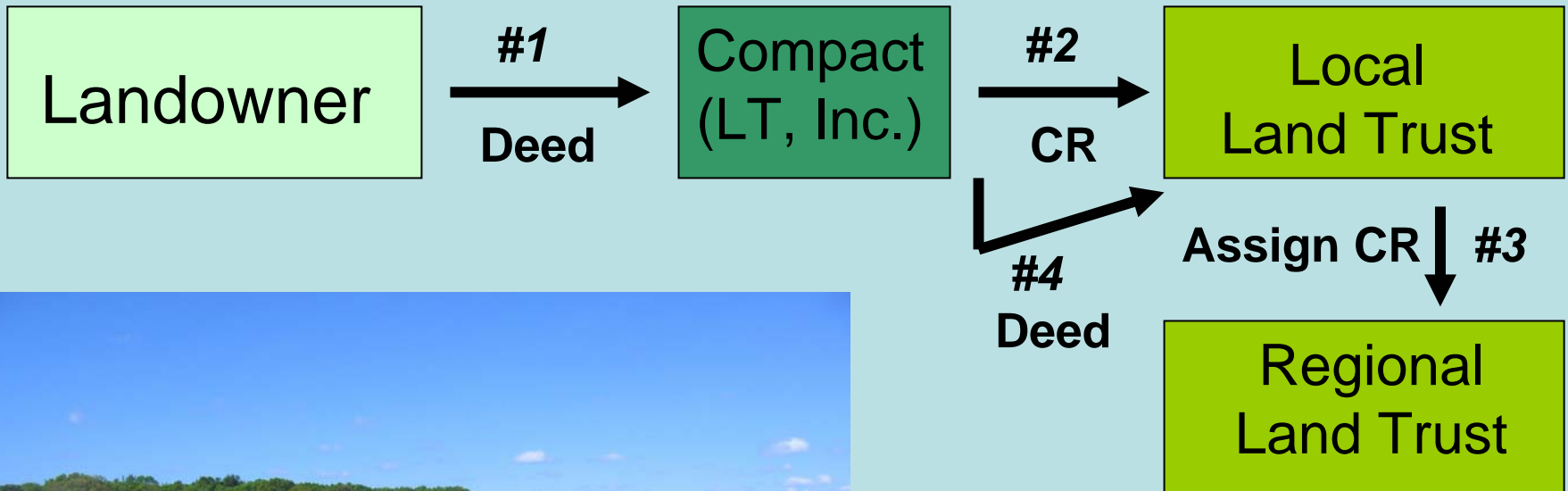


- 2 acres of forested upland*
- Zone II Area of Contribution*
- BioMap 2*
- Noteworthy Scenic Landscape*
- Town DCPC*
- Connects Town open space*

**KEY POINTS:**

- Trust as donor entity**
- Pass-through entity claimant information to DOR**
- Timing of conveyance**

# Donation of Land to Land Trust



*6 acres of upland, fringing saltmarsh and barrier dune*

*Priority Habitat for rare species*

*BioMap 2*

*Public scenic view from Buzzards Bay*

*Abuts Town conservation land*

**KEY POINT:**  
**Political Realities**

## Conservation Land Tax Credit Information to be Transmitted to Department of Revenue

Land Identification Number (LIN)	<u>1234</u>
Address of Certified Land Donated:	Plymouth Rock
Certified Land City Town:	Plymouth
Donor:	John Alden
Donor Title:	Trustee
Ownership Type:	Trustee of the Trust
Donor Organization:	Mayflower Trust
Address:	1620 Mayflower Lane Plymouth, MA
Fair market value of certified land donated:	Priceless
Maximum amount of credit for entire parcel:	\$50,000
Proportionate_share_of_donors_interest:	0.5
Landowner Tax Credit:	\$25,000

**Schedule CLTC**



**DOR**



**CLTC  
Certificate number**

# Massachusetts Income Tax Return

FIRST NAME		M.I.		LAST NAME		SOCIAL SECURITY NUMBER			
Note: If claiming other credits on Form 1, line 30 or Form 1-NR/PY, lines 34 or 35, you MUST complete and enclose Schedule Z with your return.									
<b>Schedule Z Other Credits. Enclose with Form 1 or Form 1-NR/PY. Do not cut or separate these schedules.</b>						<b>2011</b>			
<b>PART 1. CREDITS</b>									
1	Lead Paint (you MUST enclose Schedule LP). Not less than "0" .....	▶	1	00		00		00	
	a. Total number of units in line(s) 1a and 3a of Schedule LP. .... ▶	1a		00		00		00	
2	Economic Opportunity Area (you MUST enclose Schedule EOAC). Not less than "0" .....	▶	2	00		00		00	
3	Septic (you MUST enclose Schedule SC). Not less than "0" .....	▶	3	00		00		00	
4	Brownfields. Not less than "0" Certificate number .....	▶	4	00		00		00	
5	Low-Income Housing. Not less than "0" Building identification number .....	▶	5	00		00		00	
6	Historic Rehabilitation. Not less than "0" Certificate number .....	▶	6	00		00		00	
7	Film Incentive. Not less than "0" Certificate number .....	▶	7	00		00		00	
8	Medical Device. Not less than "0" Certificate number .....	▶	8	00		00		00	
9	Add lines 1 through 8. Not less than "0". Nonresidents and part-year residents, enter the result here and on Form 1-NR/PY, line 34. Part-year residents, also complete lines 10 through 12, if applicable. Full-year residents, also complete lines 10 through 13 .....	▶	9	00		00		00	
<b>PART 2. CREDITS FOR FULL-YEAR AND PART-YEAR RESIDENTS ONLY</b>									
10	Income tax paid to another state or jurisdiction (from worksheet). Not less than "0" .....	▶	10	00		00		00	
	Enter two-letter state or jurisdictional postal code. . . ▶	▶		▶		▶		▶	
11	Solar and wind energy (you MUST enclose Schedule EC). Not less than "0" .....	▶	11	00		00		00	
<b>PART 3. TOTALS</b>									
12	Add lines 10 and 11. Not less than "0". Part-year residents, enter the result here and on Form 1-NR/PY, line 35 .....	▶	12	00		00		00	
13	Full-year residents only. Add lines 9 and 12. Not less than "0". Enter the result here and on Form 1, line 30 .....	▶	13	00		00		00	
<b>Schedule RF Other Refundable Credits</b>									
1	Refundable film credit (you MUST enclose Schedule RFC) .....	▶	1	00		00		00	
2	Refundable dairy credit (see instructions) Certificate number .....	▶	2	00		00		00	
3	Refundable conservation land tax credit Certificate number .....	▶	3	00		00		00	
4	Total refundable credits. Add lines 1 through 3. Enter result here and on Form 1, line 42 or Form 1-NR/PY, line 47 .....	▶	4	00		00		00	

## Schedule RF



**Commonwealth of  
Massachusetts**

Date April 2013

PAY TO THE ORDER OF John Landowner \$ 50,000

Fifty Thousand and 00/100 DOLLARS

MEMO Conservation land Tax Credit

MA Dept of Revenue

⑆ 123456789 ⑆

⑆001001234⑆

0790

# ***Project Costs***

✓ Surveyor

✓ Attorney

✓ Appraiser

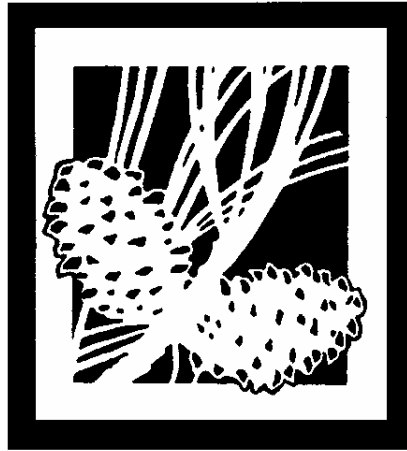
✓ Title Examiner



***Donor's costs in year of donation  
can be recouped directly by tax  
credit/refund in year of tax filing.***

# ***Final Points and Recommendations***

- Submit as complete an application package as possible
- Don't lose sight of the fact EEA is the decision maker
- But don't be afraid to question notice of eligibility conditions or to appeal an EEA rejection or determination of ineligibility –MAKE YOUR CASE
- Keep EEA informed of project status
- Coordinate and communicate with all players throughout the application process and post-recording



# THE COMPACT

OF CAPE COD CONSERVATION TRUSTS, INC.

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