

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 of:
 - 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 the 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 landowner:

- 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).
- Any state tax credit refund is taxable as income by the IRS in the year received.

Limitations on State:

- \$2,000,000 in available credits each year*

Certification Process Outline:

1. Submit application showing land's 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. Submit Schedule CLTC to MA Dept of Revenue
6. File State Tax Return, including Schedule RF.

Prepared by The Compact of Cape Cod Conservation Trusts, February 2013 based on final regulations at 301 CMR 14.00; please confirm with personal tax advisors or MA Dept. of Revenue. Updated by MLTD, August 2015.