

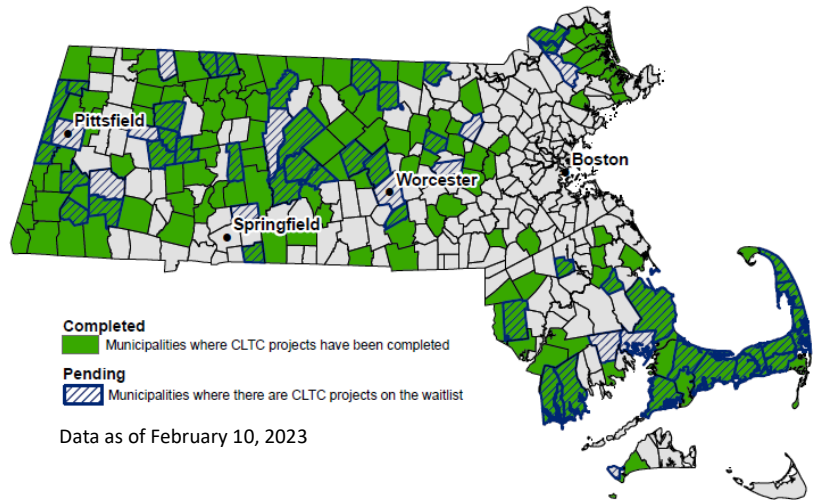
# Support the Conservation Land Tax Credit

We respectfully request your support for **An Act increasing the conservation land tax credit (S.1940/H.2839)** to:

- **Raise the annual cap** of the CLTC Program from \$2 million to \$5 million incrementally over three years. This is critical as the program is in high demand; the **current waitlist is over two years long**.
- **Amend the definition** of a "public or private conservation agency" to include private nonprofit trusts that are 501(c)3s organized for conservation purposes.

The CLTC has led to the conservation of **15,505 acres** of critical natural resources in **150 municipalities** (14 cities and 136 towns). The receiving entities of land donations include:

- **58 municipal entities**, including cities, towns conservation commissions and water districts;
- **47 local, regional, and statewide land trusts**; and
- **State agencies**, including the Departments of Agricultural Resources, Conservation and Recreation, and Fish and Game.



## Why Now?

### *An Ever-Growing Waitlist*

The program operates on a first-come-first-served basis, and there is a **two+ year long waiting period** for new landowners hoping to conserve land under this program, which has a chilling effect on landowner participation. 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. The CLTC is a **refundable tax credit** for conservation, which is critical for **low-income landowners**. According to the Department of Revenue, 67% of landowners who participated in the program in 2019 had an adjusted gross income under \$200,000.

### *A Tool for Carbon Sequestration and Storage*

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**. The 2021 Next Generation RoadMap Climate law recognizes the critical role of our natural and working lands in reaching our Net Zero climate goals, and the 2050 Clean Energy and Climate Plan (CECP) calls for the protection of **40% of the state's lands and waters by 2050**. To meet this ambitious goal, we must increase the pace and scale of land conservation. Both the 2025/2030 CECP and the Commonwealth's Resilient Lands Initiative Vision call for the CLTC to be increased, due to the program's success, security, and cost-effectiveness.

### *Tremendous Public Benefit*

The CLTC often helps to create **more accessible, public open space**. It also incentivizes the conservation of **ecologically and economically valuable lands**, including working farms and forests, wildlife habitat, and drinking water sources.

***Once natural and working lands are developed, the loss is irrecoverable.***

## Background

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. 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.

Over the life of the program, \$22 million in tax incentives (credits and refunds) have led to:

- **\$90 million in private land value gifted (a leverage of \$1 state funds to \$4.16 donated value):**
- **\$212 million in private land value conserved (a leverage of \$1 state funds to \$9.65 conserved value);**
- **15,504 acres of certified ecologically significant land conserved in perpetuity**, including prime forest soils (working forests), prime agricultural soils (working farms), source water lands, and habitat for fish and wildlife.

### CLTC Program Numbers through February 2023

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	30		1,024	\$7,140,102	\$1,938,000	3.68
2022	26		651	\$6,196,757	\$1,675,175	3.70
2023		27*				
2024 & beyond		61*				
<b>Grand Total</b>	<b>406</b>	<b>88</b>	<b>15,505</b>	<b>\$ 89,911,704</b>	<b>\$ 21,993,214</b>	<b>4.16</b>

\* 27 projects, protecting an additional 950 acres, are committed for 2023.

\*\* 61 projects, totaling \$4.2 million in tax credits, are being pushed into 2024 or later, delaying the conservation of over 1,700 acres.

### For more information, contact:

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