



Please Support Increasing the Conservation Land Tax Credit (CLTC) in the FY23 State Operating Budget

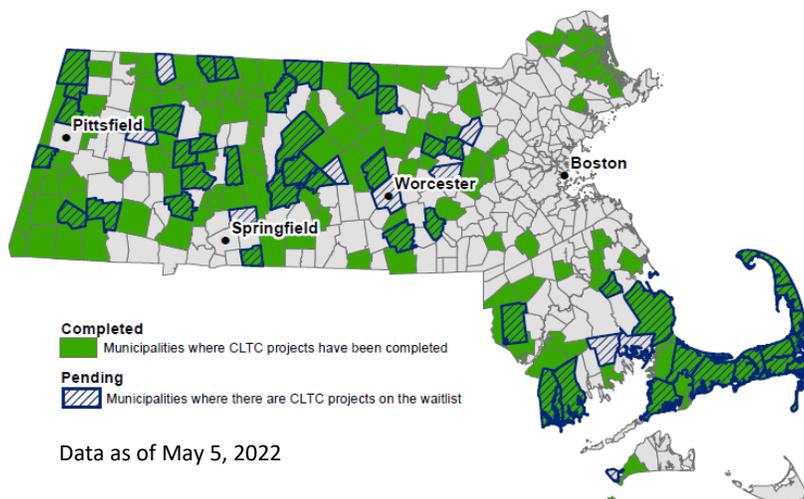
We respectfully request that the Conference Committee include the House of Representatives' language in Outside Sections 25A-25J and 72A-72D in their final budget report, which would increase the annual cap for the Conservation Land Tax Credit (CLTC) incentive program – an essential tool that has been highly effective at conserving the Commonwealth's most critical natural resources. Please note that the language is the same as this session's H.2960/S.1986, which was reported favorably by the Joint Committee on Revenue in 2022.

This language would:

- **Raise the annual cap** of the CLTC Program from \$2 million to \$5 million (a combined total of credits for individuals and corporations) by increasing the cap incrementally over three years starting January of 2024.
- **Amend the definition** of a "public or private conservation agency" to include private nonprofit trusts that are 501(c)3s organized for conservation purposes.
- **Sunset** the enhanced credit on December 31, 2034.

The CLTC has led to the conservation of **14,853 acres** of critical natural resources in **150 municipalities (14 cities and 136 towns)**. The receiving entities of the land donations have included a range of state, municipal, and conservation entities:

- **58 different municipal entities**, including Conservation Commissions and Water Districts;
- **47 local, regional, and statewide land trusts**; and
- **State agencies** – Depts of Agricultural Resources, Conservation and Recreation, and Fish and Game.



Why Now: As of May 2022, total CLTC requests for 2022 and beyond are \$6,097,500. Of that, \$2M has been committed each to projects in 2022 and 23. There remains an additional **\$2,952,250 in requested projects being pushed into 2024 and beyond**. As the program operates on a first-come-first-served basis, any new applications will not be eligible for funding until 2024, at the earliest. 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 an important and cost-effective tool to permanently protect land, thereby ensuring its ability to sequester and store carbon into the future. Both the new climate law and the 2030 Clean Energy and Climate Plan recognize the role of our natural and working lands in addressing climate change.

Use of our public outdoor spaces significantly increased during the pandemic. The CLTC is an important tool for **creating more public open space and increasing access** to land that was once privately held.

Increasing the annual cap is an enormous opportunity to conserve ecologically and economically valuable lands, as well as to advance our climate change goals. **Once they are developed, the loss is irrecoverable.**

Program Description: 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 and 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.

Conservation Outcomes and Efficiency:

Over the ten years of the program \$20.3 million in tax incentives (credits and refunds) have led to:

- **\$83.7 million in private land value gifted (a leverage of \$1 state funds to \$4.20 donated value):**
- **\$202 million in private land value conserved; and**
- **14,853 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 April 2022

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		1024	\$7,140,102	\$1,938,000	3.68
2022		24*				
2023		23**				
2024		43***				
Grand Total	380	90	14,853	\$ 83,714,947	\$ 20,318,039	4.12

* **24 projects**, protecting an additional **998 acres**, are committed for this year.

** **23 projects** are committed for 2023, which are expected to protect about **323 acres**.

*** **43 additional projects** been submitted but will not receive credits until 2024 or later. **These would protect at least an additional 1,240 acres.**

For more information, contact:

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