

Conservation Tax Credits and Exchange: An efficient and cost effective option for protecting Delaware's wetlands



Brenna Goggin, Environmental Advocate

What is a Conservation Tax Credit?

- An Income Tax Credit available to landowners who voluntarily preserve their land through the donation of a conservation easement and/or fee title
 - Must protect conservation values as defined by states
 - Must be made to an entity qualified to hold such property
 - State of Delaware,
 - 501 (c)(3) land conservation organizations



Components of Conservation Credits

- Definitions of Conservation Values
- Financial Incentives
- Sunset Date
- Who is eligible to accept donations
- Carry Forward
- Transferability



Delaware House Bill 248

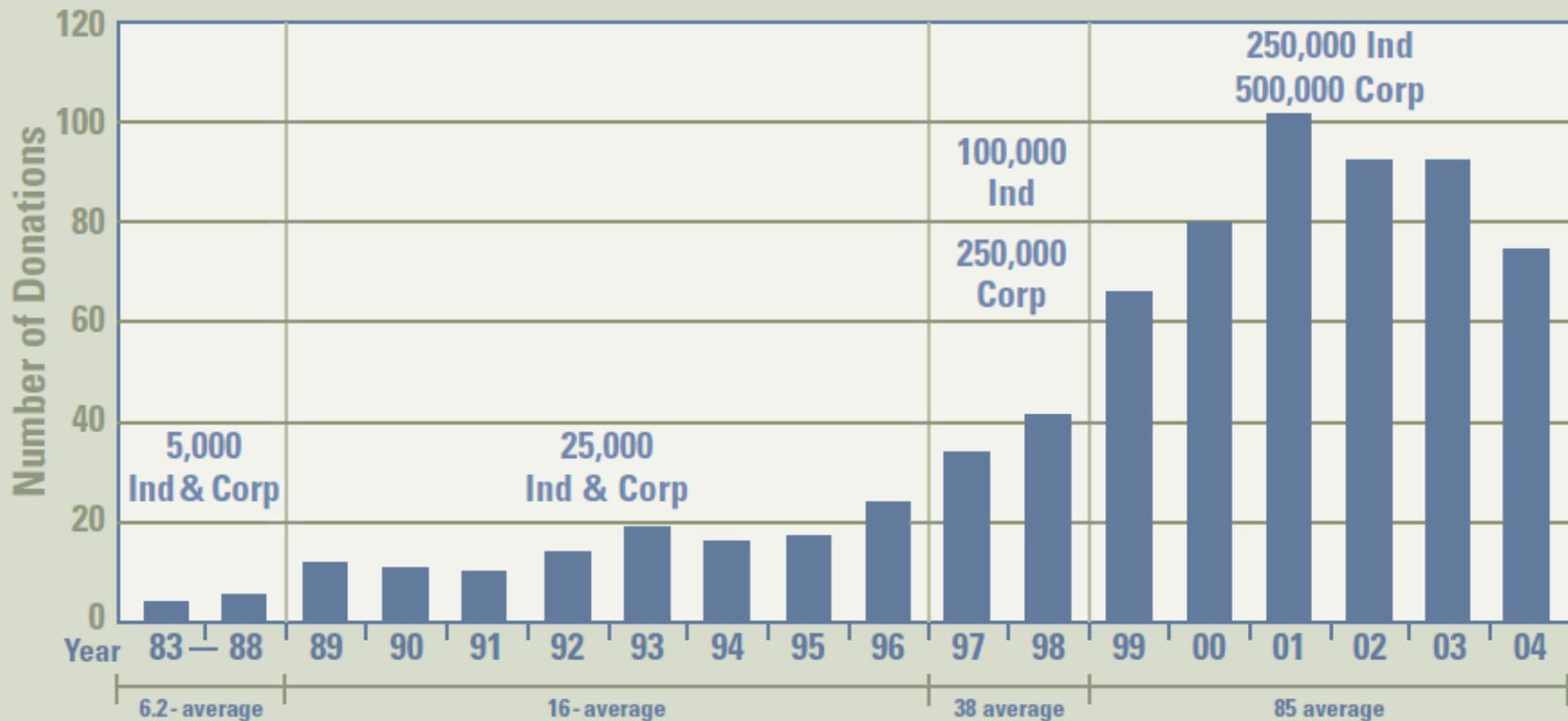
- Created an income tax credit for permanent gifts of land or interest in land to public agencies and qualified private non-profit charitable organizations
- Lands that qualify must meet either:
 - The criteria for Open Space
 - Consists of Natural Habitat for the protection of DE's unique and rare biological and natural resources



Case Study #1 N.C

Figure 3

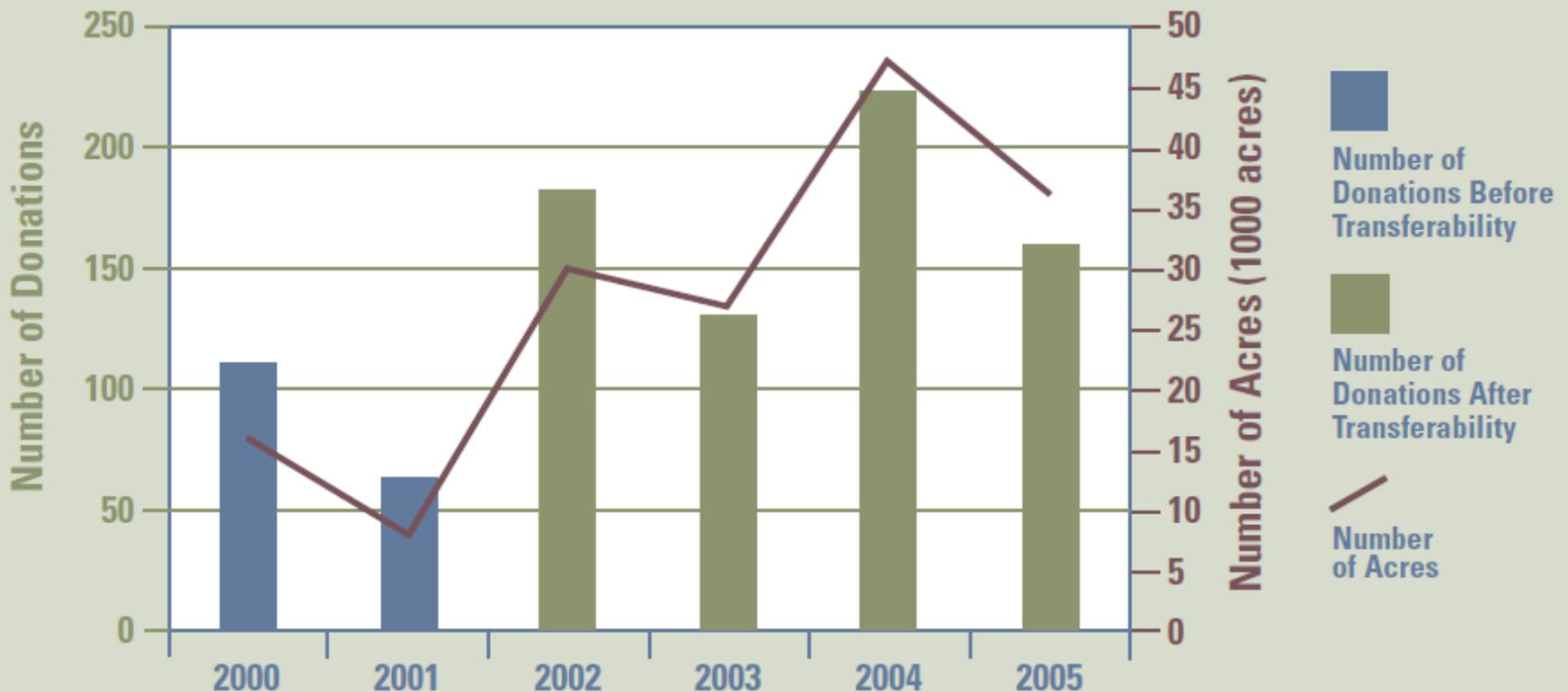
INCREASING CREDIT VALUE: NORTH CAROLINA CONSERVATION TAX CREDIT STATISTICS



Case Study # 2 VA

MAKING THE CREDITS TRANSFERABLE: VIRGINIA DEPARTMENT OF TAXATION STATISTICS

Figure 4



Bars represent the numbers of transactions, and the line represents the number (in thousands) of acres conserved.

Options For Delaware

1. Increase the overall cap/FMV %
2. Redefine the definition of the conservation values to make it more “wetland specific”
3. Make credits transferable



Resources

- Georgia Conservation Credit Program:
<http://www.taxtransferga.com/>
- State Funding for Conservation Tax Credits (LTA):
<http://www.landtrustalliance.org/policy/public-funding/state-funding>
- Tax Credit Exchange Program:
<http://www.taxcreditexchange.com/index.html>

Questions

