

Conservation Tax Incentive to Encourage Open Space Preservation Clears House

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WASHINGTON, D.C. - After months of pressure from Congressman Chris Murphy (CT-5), the Co-Chairman of the bipartisan Land Conservation Caucus, the House of Representatives today passed a retroactive two-year extension of an important tax incentive to encourage land conservation donations. In February 2008, Murphy spearheaded a letter signed by 65 bipartisan members of Congress to encourage House leadership to include the conservation easement deduction in upcoming farm policy legislation.

"By empowering landowners to become leaders in conservation in their communities, this incentive is a powerful tool in the movement to better preserve open space in Connecticut," said Murphy.

Conservation easements permanently protect land from development while preserving landowners' property rights, even when deeds change hands. By first enacting these tax incentives in 2006, Congress took a significant step towards making conservation easement donations more attractive to landowners. After just two years, this tax incentive has been highly effective here in Connecticut, where dozens of community land trusts have seen a dramatic increase in easement donations. And according to a recent USA Today article, with the help of this tax incentive, over 2 million acres of land were voluntarily preserved for conservation nationwide in 2007 alone.

However, this tax incentive expired at the end of 2007, leaving those that choose to preserve their land and safeguard it from development in limbo.

"This tax incentive provides an enticement for responsible landowners that want to protect their properties, but can't afford the financial sacrifice such donations often entail. In northwest Connecticut, re-establishing this tax break is critically important to

protecting our natural heritage and cherished regional character," said Murphy.

At the end of 2007, the House passed a tax bill that included a one-year extension of this conservation easement tax deduction. However, it was removed from the final bill by the Senate prior to passage. In addition to the letter Murphy spearheaded in February, he also met with and spoke to senior Members of the House Agriculture Committee and House Ways and Means Committee to ask that they support the tax credit. Murphy's work paid off, and today the House passed the finalized farm bill with a retroactive, 2-year extension of this incentive. The bill must be passed by the Senate and signed by the President before becoming law.

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