

Will tax break for land dedications endure?

A sizable break for those who preserve land could last just this year

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EAGLE COUNTY — People who own ranches or other properties and want to preserve them may have just the rest of this year to take advantage of some significant tax savings.

Congress earlier this year reauthorized legislation that provides tax breaks for those who want to preserve scenic or historic property through a contract called a “conservation ease-

ment.” Those contracts, between a landowner and, usually, an organization such as the Eagle Valley Land Trust, leave the property in the owners’ hands but prevent any future development. The contracts are generally touted as a way to preserve family ownership of ranches, farms and other land.

Usually, conservation easements are purchased from landowners using a combination of grants from organizations such as Great Outdoors Colorado and funds land trusts are able to raise for specific purposes. But the tax breaks can be a crucial part of the conservation easement package.

The latest law, for instance, allows landowners to deduct the value of a donation of a conser-

vation easement. The current amount is up to 50 percent of an owner’s gross annual income for as long as 15 years. Professional farmers and ranchers who earn at least half of their income from their land can deduct up to 100 percent of their income.

“If a guy with a \$50,000 income has a \$1 million property, he can take \$800,000 worth of donations over that time,” said Jason Denhart, of the Eagle Valley Land Trust.

The tax breaks are one more tool in a land trust’s chest to help convince willing property owners to keep their land open forever.

“It’s not that we’re out there convincing people (to preserve),” Denhart said. “But if the stars are aligned, it’s a good thing.”

Denhart said the current tax

incentives — which will have to be reauthorized for next year or made permanent — had support from all of Eagle County’s federal representatives.

Those representatives include Democratic Sens. Mark Udall and Michael Bennet, as well as Reps. Jared Polis, a Democrat, and Scott Tipton, a Republican.

Tipton and Polis are far apart on the political spectrum, but Denhart said the preservation tax breaks appealed to each in a way.

“For someone like (Tipton), it’s a tax break for landowners, so that’s a good thing,” Denhart said. “For someone like (Polis), it’s a way to conserve land, so there’s bipartisan agreement.”

While the tax breaks are significant, they aren’t available to just

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anyone with open land. To qualify, property has to be important for wildlife, have scenic value or meet several other criteria.

“Somebody with .8 of an acre that’s surrounded by homes won’t qualify,” Denhart said. But, he added, people with bigger parcels who want to preserve them need to act fairly quickly, given the whims of this Congress.

“We can help you determine whether your land qualifies,” he said.