

Financial Benefits of Land Conservation

- Federal Income Tax Reductions
- Estate Tax Reductions

Personal Benefits of Land Conservation

- Protect your cherished land for future generations
- Protect working farms, water quality, natural landscapes, and wildlife habitat
- Protect the environmental and economic health of the region

Additional Benefits in Pike County

The Pike County Scenic Rural Character Preservation (SRCP) Program may have grant funds available for landowners looking to donate a conservation easement.

If you own land with important natural resources, donating a voluntary Conservation Easement may be one of the smartest ways to conserve the land you love, while keeping the land in private ownership and possibly gaining significant federal tax benefits.



Pike County Scenic Rural Character Preservation Program

c/o Pike County Office
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Financial Benefits of Land Conservation

A Land Protection
Tool Every
Pike County Landowner
Should Know About



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How Can I Protect My Land?

There are many tools a landowner can use to protect his or her land— a **Conservation Easement** is one of them.

A **Conservation Easement** helps to protect your valuable land forever— both for your family and future generations.

If you love your land, but are worried about what may happen to it now, or after you are gone, then it is worth considering a Conservation Easement.

What is a Conservation Easement?

A Conservation Easement can also be called a land preservation agreement. It is a legal agreement between a willing landowner and a land trust. As a land preservation agreement, it permanently protects the important conservation values of a property usually by limiting future development, although other restrictions may be included. Every agreement is unique and tailored to the landowner's goals and the property's characteristics.

The landowner continues to own the land and manage the land – subject to the restrictions detailed in the agreement. The land does not need to be open to public access. Each subsequent landowner is bound by the same terms that the original landowner put in place.

The Potential Financial Benefits of a Conservation Easement

Not only are there personal benefits for protecting your property, but there may be **financial benefits** for landowners who donate a Conservation Easement. These benefits may include a federal tax reduction and an estate tax reduction.

Federal Tax Reduction: On the Federal level, a special window of opportunity exists until the end of 2013. Congress has enacted temporary federal tax reductions available for Conservation Easements donated during 2013. These incentives make it easier for average Americans, including working family farmers, to protect their land. As a result, Conservation Easement donors may **deduct up to 50% of their adjusted gross income** when donating an Easement in 2013. Qualifying farmers may **deduct up to 100% of their adjusted gross income**. And, donors may carry unused deductions for their contribution over an additional 15 years.

Estate Planning: For the family that cares about its land, the federal estate tax may be the biggest single threat to the family's long range planning. A property with a Conservation Easement may receive a significant **reduction in estate taxes**.

SRCP Grants: The Pike County Scenic Rural Character Preservation Program may have grants up to \$25,000 to assist landowners with the incidental costs of donating an easement. Grant money can cover survey costs, baseline and monitoring, and recording fees.



For example:

Jane owns a vacant 100-acre parcel that under current zoning rules could be divided into 20 five-acre residential lots. The current fair market value for her property is \$400,000. Jane places an Easement on the property that allows for only two homes and the rest will remain undeveloped. With the restrictions of the easement, Jane's property is now appraised with a potential market value of \$250,000. The difference between the market value of the property before and after the conservation easement (in this case: $\$400,000 - \$250,000 = \$150,000$) is the value of the conservation easement.

Property Value Before
Minus

Property Value with the
Conservation Easement

Equals

Value of the Conservation Easement
that can be used for a potential tax reduction.

This information is for informational purposes only and should not be construed as legal advice. We strongly encourage landowners to work with their lawyer and financial planner.