

Draft for a letter to NY lawmakers

Dear (Legislator's name):

I am writing on behalf of the ----- Land Trust, which has worked with our local landowners to conserve ----- acres of land that make our area a better place to live. Most of that conservation comes from donations of land and conservation easements by local landowners to us. **(Tell them about a recent conservation accomplishment!)**

New York State and the federal government were partners in this conservation because it is a good investment for our communities and our country. As such, both entities offer tax incentives to landowners to donate land or conservation easements. Unfortunately, last year, the IRS drafted a rule that could seriously impact the ability for landowners to make the decision to conserve their land utilizing these important incentives.

The rule, published in the Federal Register on August 27, 2018, says that a landowner must subtract any state tax incentive from the value of their donation before deducting it from their federal taxes. It also says that it doesn't matter whether the state incentive is given in the same year as the gift, or in the future, and it doesn't even matter if the landowner cannot use that gift. The rule was aimed at attempts to bypass the limit on deductions for state and local taxes in the 2017 tax bill, but it goes far beyond that.

This is particularly disruptive for conservation in New York State, since we have a unique tax incentive for conservation easement donations. It provides a state tax credit worth $\frac{1}{4}$ of the protected land's property tax per year, up to \$5000 every year. It may be a few hundred dollars a year, but it helps.

But if the IRS means to count it against the donation, and they don't care if the payment comes this year or in the future, that means that the New York Conservation Easement Tax Incentive will result in no New Yorker being able to deduct any of the value of their gifts, which are often worth hundreds of thousands of dollars. This loss would be most felt by cash strapped farmers and older New Yorkers with modest incomes who are relying on their land to retire.

We hope you can help us reverse this rule, which would unfairly punish conservation in New York simply because our state tax code recognizes the value of conserving land for New York's future.

We look forward to hearing from you about this problem, and what can be done about it.