



Are you considering protecting your land with a conservation easement?

The Central Colorado Conservancy helps families protect their land with permanent conservation easements. Conservation easements limit future development and keep the land forever available for agriculture, wildlife habitat, and scenic views. We would be happy to talk with you about how conservation easements work, review a draft easement with you, and discuss possibilities for your particular property and your goals.

Colorado's tax credit for donated conservation easements is quite generous. The regulations are a little complicated, but basically you can receive a tax credit of 75% of the first \$100,000 of an easement's value and 50% of the value beyond that, up to a maximum credit of \$1.5 million. You can use these credits against your state income tax bill or you can sell them, usually for 80%-85% in cash. For example, if you donated a conservation easement valued at \$1,000,000, you would receive \$525,000 in state tax credits, which you could most likely sell for at least \$420,000. These tax credits may also be carried forward to pay your Colorado income tax for up to 20 years. In a year of a state budget surplus, you can also get up to \$50,000 in cash refund for the credit.

Landowners can also claim a federal tax deduction of up to 50% of the donor's adjusted gross income in any year, or up to 100% for eligible agricultural producers. The donor may carry forward any unused deduction for up to 15 years after the year of the donation until the deduction is fully used (i.e., the donor will have a total of 16 years in which to claim the deduction.) A conservation easement may also reduce estate taxes when the land is passed along to your heirs. There are transaction costs of \$35,000 - \$60,000 involved in donating an easement, but the Conservancy frequently can find funding to help pay for these costs.

I am enclosing a number of materials. I have included some background information about the Central Colorado Conservancy and conservation easements, plus more details about the state and federal tax benefits. I know this is a lot of material to digest, but I hope it will provide answers to some of your questions. I would be happy to sit down with you and review your options for protecting your land.

Please give me a call at (970) 901-1816, if you have any questions or would like to get together to talk about protecting your property. You can also use my email: lucy@centralcoloradoconservancy.org. Thank you for your interest in working with the Central Colorado Conservancy.

Sincerely,

Lucy Waldo
Conservation Director