



The Sustainable Iowa Land Trust (SILT) is dedicated to preserving Iowa's rich agricultural heritage and natural beauty for future generations. Our mission is to protect land for sustainable food production, ensuring that our farmland remains productive and accessible to farmers forever. By making a charitable donation of land or Conservation Easement to SILT, you can play a vital role in conserving our valuable resources while also enjoying significant financial benefits. This brochure provides a comprehensive guide to the Iowa Tax Credit for Charitable Land Contributions and the Enhanced Federal Tax Incentive for Conservation Easement Donations, helping you understand how to maximize your tax benefits while making a lasting impact on Iowa's landscape.



**Contact info@silt.org
for more information.**

The Sustainable Iowa Land Trust (SILT) is unable to provide tax or legal advice to landowners and those who are interested in these incentives should consult their tax and legal advisors.

SILT is a 501c3 nonprofit organization.

SUSTAINABLE IOWA LAND TRUST

SILT

PROTECTING WORKING FARMS TO GROW LOCAL FOOD.



Planting Roots, Reaping Rewards

**Tax Benefits for
Preserving Farmland**

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Iowa Tax Credit for Charitable Contribution of Land for Agricultural and Other Conservation

Iowa taxpayers can claim a substantial Iowa tax credit when they make a charitable donation to a qualified conservation organization such as SILT.

How much credit can I receive?

- 50% of the fair market value of the donated property interest
- Maximum tax credit of \$100,000

In other words, if you donate land or easements valued at \$200,000, you can subtract \$100,000 from your Iowa income tax payment.

Any credit that exceeds your Iowa income tax liability for the tax year of the donation may be credited to next year's taxes. This "carry-over" can be claimed for up to 20 years or until the full tax credit for your donation is claimed — whichever is earlier.

Individuals may claim the credit for donating land held in a partnership, a limited liability company, an S corporation, or an estate or trust electing to have the income taxed directly to the individual. The amount you can claim is based on your pro-rata share of your earnings of the partnership, limited liability company, S corporation or estate or trust.



Enhanced Federal Tax Incentive for Conservation Easement Donations

In 2015 Congress enacted one of the most powerful conservation measures in decades: the Enhanced Federal Tax Incentive for Conservation Easement Donations.

The permanent conservation easement tax incentive is a powerful tool that helps Americans conserve their land voluntarily.

If you own land with important natural, agricultural or historic resources, donating a conservation easement can be a prudent way to both save the land you love forever and to realize significant federal tax savings.

If a conservation easement is voluntarily donated to a land trust or government agency, and if it benefits the public by permanently protecting important conservation resources, it can qualify as a charitable tax deduction on the donor's federal income tax return.

An active farmer or rancher easement-donor can recognize a 100% charitable tax deduction of their annual income. A non-farmer or non-rancher easement-donor can recognize a 50% charitable tax deduction of their annual income. Both are available for 15 years.

So, a Landowner earning \$50,000 a year who donated a conservation easement of any value could take a \$25,000 charitable tax deduction (50% of their income) for the year of the donation and for each additional 15 years. This would result in a total of \$400,000 in deductions. If the landowner is a farmer or rancher, they can deduct \$50,000 (100% of their income) in the first year and then for each of the following 15 years, realizing a maximum of \$800,000 in deductions.

This incentive only applies to conservation easements and not gifts of land in fee simple.

