

# Compact plans workshops on tax breaks

By Matthew Belson

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For many property owners, donating land for the purpose of conservation can be a feel-good proposition. Now placing a permanent conservation restriction on land can also take away some of the sting when the taxman pays a visit in April.

“New federal tax laws provide a greatly enhanced tax break for landowners,” said Mark Robinson, executive director for The Compact of Cape Cod Preservation Trusts, Inc., about a trial program that is supposed to provide a financial incentive for landowners to place a conservation restriction on their property.

But the window of opportunity is short as the tax break is expected to expire in 2007.

To capitalize on this program, Robinson said the compact is planning a series of workshops around the Cape to educate interested landowners who are considering placing a conservation restriction on their property.

Landowners who donate permanent conservation restrictions on their properties can deduct 50 percent of their income each year for 16 years. Previously, the deduction was 30 percent over six years.

Robinson gave an example of a landowner with an annual income of \$100,000 who has a property worth \$1,000,000 who donates a conservation restriction to the local land trust on the property. The landowner keeps title and privacy and management control, but extinguishes certain development rights, such as subdivision potential. The property still has about a \$200,000 value as part of their estate. The difference of \$800,000 is the charitable deduction for federal income taxes. Under the old conservation restriction tax rule, this deduction would provide \$45,000 in saved income taxes over six years. With the new rule, the landowner will have

\$200,000 in saved taxes over 16 years.

As part of the education campaign, Robinson said property owners with parcels 3 acres and greater will be targeted.

Besides spreading the word about the federal tax credit, Robinson said the trust would be releasing the results of a study early next year looking at how each town on the Cape used monies generated through the land bank to purchase open space over the past seven years.

“Who has effectively used the land bank on the Cape,” said Robinson, and the study will also rank each town in order of achievement.

As for land acquisition, 2005 and 2006 were not the best when compared to previous years on the Cape, a trend Robinson attributes to towns transitioning from a land bank to Community Preservation Act funding. Chatham and Provincetown are the only two towns to retain a land bank and also adopt the Community Preservation Act.

The Compact plans to analyze the future efficacy of the program for the purchase of open space, specifically in the future projections of matching funds from the state.

“How long do we think the state will provide 100 percent in matching grants?” asked Robinson.

On the Lower Cape, Robinson said the Brewster Conservation Trust has been active in the Compact’s Priority Ponds Project that has identified critical ponds on the Cape that need to be protected to preserve habitat and water resources.

“Brewster to its credit has really taken this to heart,” said Robinson.

### **Conservation restriction workshops**

**Jan. 27** Wellfleet Senior Center, Old King’s Highway

**Feb. 3** Harwich Community Center, Oak Street

All workshops (free) 9:30 to 11 a.m.

**Information:** 508-362-2565; [compact@cape.com](mailto:compact@cape.com); [www.compact.cape.com](http://www.compact.cape.com)