

# **Montana Association of Land Trusts**

**For more information contact Glenn Marx, executive director  
406-490-1659**

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*August 18, 2006*

## **MONTANA ASSOCIATION OF LAND TRUSTS PRAISES PASSAGE OF CONSERVATION TAX INCENTIVES**

The Montana Association of Land Trusts (MALT) today applauded recent congressional passage of federal conservation tax incentives that will enhance the opportunity for more Montana farm and ranch families to conserve agricultural lands in the state.

The bill, co-authored and sponsored by Montana Senator Max Baucus, was incorporated into the Pension Protection Act of 2006, which passed the U.S. House of Representatives on July 28 and the U.S. Senate on August 3. Montana Congressman Denny Rehberg and Montana Senator Conrad Burns both voted in favor of the legislation.

The bill was signed into law by President Bush during a bill signing ceremony on August 17.

“Senator Baucus did the congressional heavy lifting to get these private land conservation tax incentives through Congress,” said Rock Ringling of the Montana Land Reliance. “He introduced the original legislation and then shepherded the key provisions through conference committee to the president’s desk. The land trust community, farm and ranch families and Montanans who support private land conservation are grateful for the senator’s efforts.”

There are five key provisions in the conservation tax incentives that form the core of the legislative package:

- \* The bill raises the maximum federal income tax deduction a donor can take for donating a conservation easement from 30 percent of their adjusted gross income in any year to 50 percent.
- \* The bill allows qualified farmers and ranchers (income 51 percent or more from agriculture) to deduct (federal income taxes) up to 100 percent of their adjusted gross income.
- \* The bill increases the number of years over which a conservation easement donor can take federal income tax deductions from six years to 16 years.
- \* The bill increases the federal income tax deduction of individuals operating as a C Corporation from 10 percent to 50 percent. Many family farms and ranches in Montana operate as a C Corporation.
- \* The bill sets higher standards for appraisers and appraisals of all donated property to further curb appraisal abuse, and includes stiffer federal penalties for appraisal abuse.

“Passage of these conservation incentives will allow more Montana ranch families to protect their ranch heritage,” said Jay Erickson of the Montana Land Reliance. “The package of conservation tax incentives helps level the playing field so traditional farm and ranch families of more limited means can conserve their property.”

The conservation tax incentive package was supported by close to 40 national wildlife, sporting and conservation organizations. The concept for the conservation tax incentives originated in Montana over five years ago by the Montana Land Reliance managing directors Bill Long and Rock Ringling, who sought additional tax benefits for traditional farm and ranch families who donated conservation easements.

“Thanks to the good work of the Montana Land Reliance and Senator Baucus's persistent leadership, farm and ranch families now have greater ability to benefit financially from conserving their lands and an opportunity to enhance their agricultural operations,” said Jamie Williams, state director of The Nature Conservancy of Montana. “This bill is a big step forward in helping private landowners maintain Montana's natural and rural heritage for future generations.”

The Montana Association of Land Trusts is comprised of 11 private, nonprofit members (Prickly Pear Land Trust in Helena, Gallatin Valley Land Trust in Bozeman, The Trust for Public Land with its Montana headquarters in Bozeman, Flathead Valley Land Trust in Kalispell, Montana Land Reliance in Helena, Five Valleys Land Trust in Missoula, Bitter Root Land Trust in Hamilton, The Conservation Fund with its Montana office in Missoula, the Rocky Mountain Elk Foundation in Missoula, Vital Ground in Missoula and The Nature Conservancy of Montana in Helena). The 11 land trusts work with private landowners to obtain conservation easements that maintain working farms and ranches, protect water quality, protect wildlife habitat, preserve open space and retain the values that make Montana such an attractive place to live, work and recreate.

Land trusts negotiate voluntary agreements with landowners that restrict commercial development and potential housing subdivisions on the property. In essence, land trusts acquire, and then retire, development rights of the property. Conservation easements have potential federal estate tax and federal income tax benefits for landowners.

Montana land trusts have assisted private landowners in conserving over one million acres in the state since the early 1980s.