
FISCAL TOPICS

Fiscal Services Division

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Tax Credit: Charitable Conservation Contribution Tax Credit

The Charitable Conservation Contribution Tax Credit is equal to 50.0% of the fair market value of qualified donated property. The credit is limited to no more than \$100,000 per contribution. The amount of the contribution to which the credit applies may not be taken as an Iowa income tax itemized deduction. Any contributed value in excess of the amount to which the credit applies may be taken as an itemized deduction.

To qualify, donated property must be a real property interest in property located in Iowa and must be donated in perpetuity for a conservation purpose to a qualified organization, without conditions. The terms "conservation purpose," "qualified organization," and "qualified real property interest" are as defined in federal Internal Revenue Code (IRC) [§170\(h\)](#). This IRC section establishes the ability of federal taxpayers to deduct the value of conservation property donations from their federal individual income taxes. For purposes of the Charitable Conservation Contribution Tax Credit, donations made to obtain subdivision or building permits do not qualify.

The total amount of tax credits available in a year is not limited. Oversight is a function of Department of Revenue tax return auditing. The tax credit is not refundable or transferable, but any unused portion may be carried forward for up to 20 tax years.

Tax Credit Background

- Enabling Legislation: 2008 Iowa Acts, chapter [1191](#) (Standing Appropriations Act of 2008)
- Iowa Code Citations:
 - [Section 422.11W](#) — Individual Income Tax
 - [Section 422.33\(25\)](#) — Corporate Income Tax
- Administrative State Agency: None
- Sunset Date: None
- Transferable: No
- Refundable: No
- Carryforward: Unredeemed credits may be carried forward for up to 20 tax years
- Legislative Tax Expenditure Committee Review Year: 2015

More Information

Department of Revenue Contingent Liabilities Report: tax.iowa.gov/reports?term_node_tid_depth=79

Department of Revenue Tax Credit Review:

[tax.iowa.gov/sites/default/files/idr/Charitable Conservation Contribution Tax Credit Evaluation.pdf](http://tax.iowa.gov/sites/default/files/idr/Charitable%20Conservation%20Contribution%20Tax%20Credit%20Evaluation.pdf)

Department of Revenue Tax Credits Users' Manual:

tax.iowa.gov/sites/default/files/2020-11/TaxCreditsUsersManual2020.pdf

Legislative Services Agency Individual Income Tax Guide: www.legis.iowa.gov/docs/publications/LG/711304.pdf

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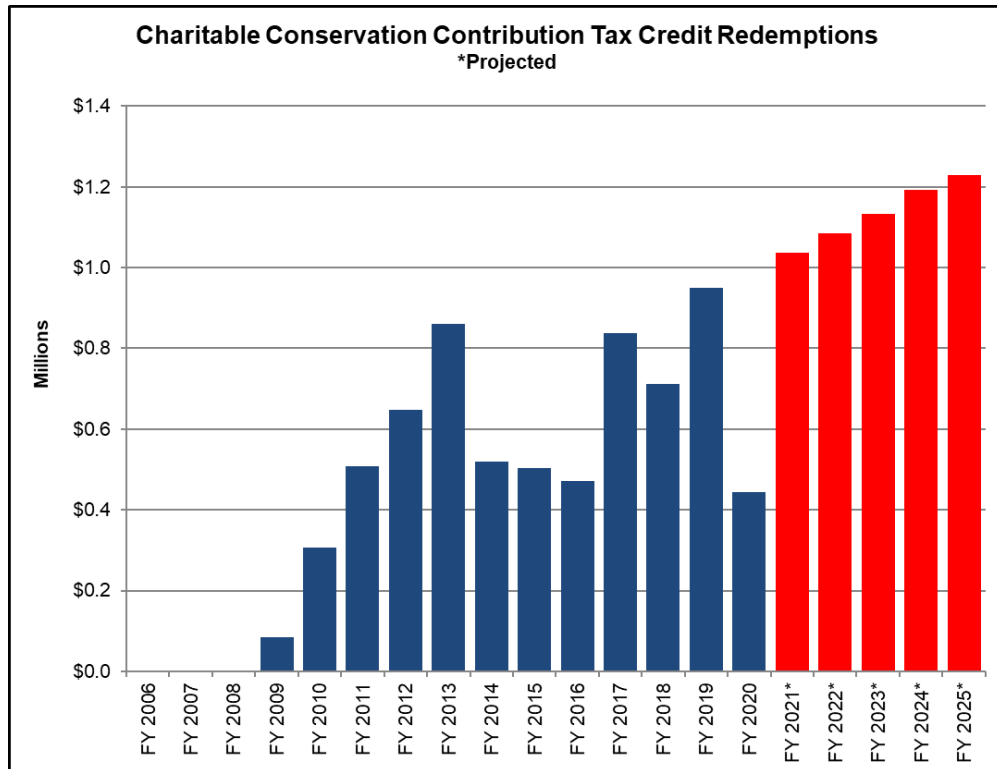
Tax Credit Review, Usage, and Future Liability

The Department of Revenue reviewed the Charitable Conservation Contribution Tax Credit in a report released in December 2015. Its findings were as follows:

- For tax years 2008 through 2013, a total of 138 claims for the credit were made, totaling \$6.3 million. In most instances, the credit would be redeemed by the taxpayer over a number of tax years.
- Taxpayers did not include sufficient information for 66 (47.8%) of the 138 contributions to be analyzed. Missing information included the number of acres, land value, and the name of the qualified organization to which the property was donated. Due to the data limitations, a full review of this credit was not possible.
- For the 72 contributions that could be analyzed with available data:
 - Over 9,000 acres of land valued at more than \$19.0 million were donated.
 - Twenty-two percent of contributions met or exceeded the maximum allowed tax credit (\$200,000 in donated value, \$100,000 in tax credit).
 - The organizations receiving donations include the Iowa Natural Heritage Foundation, the Nature Conservancy, and county governments.
 - The most utilized form of property donation was a conservation easement, followed by gifts and other bargain sales.

The Department of Revenue reports on the annual credit usage for the Charitable Conservation Contribution Tax Credit in its periodic [Contingent Liabilities Report](#). Based on Table 9 of that report, the following table and graph provide credit redemption history and projections for the Charitable Conservation Contribution Tax Credit. The blue bars of the graph indicate actual credit redemptions, while the red bars are Department of Revenue projections of future redemptions. Future redemptions include not only new donations, but also any carryforward credits from previous years.

Charitable Conservation Contribution Tax Credit History			
* Projected			
Fiscal Year	Tax Credit Redemptions	Fiscal Year	Tax Credit Redemptions
FY 2006	\$ 0	FY 2016	\$ 471,157
FY 2007	0	FY 2017	837,837
FY 2008	0	FY 2018	712,135
FY 2009	84,665	FY 2019	950,964
FY 2010	307,431	FY 2020	443,484
FY 2011	507,728	FY 2021*	1,037,661
FY 2012	646,685	FY 2022*	1,084,624
FY 2013	861,409	FY 2023*	1,132,617
FY 2014	519,249	FY 2024*	1,191,877
FY 2015	502,568	FY 2025*	1,228,549



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