
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 earned 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: 2020

More Information

Department of Revenue Contingent Liabilities Report: tax.iowa.gov/report-category/contingent-liabilities

Department of Revenue Tax Credit Review:

[tax.iowa.gov/sites/default/files/2021-01/CCC Tax Credit Evaluation Study 2020.pdf](http://tax.iowa.gov/sites/default/files/2021-01/CCC_Tax_Credit_Evaluation_Study_2020.pdf)

Department of Revenue Tax Credits Users' Manual:

tax.iowa.gov/reports/tax-credits-users-manual

Legislative Services Agency Individual Income Tax Guide:

www.legis.iowa.gov/docs/publications/LG/711304.pdf

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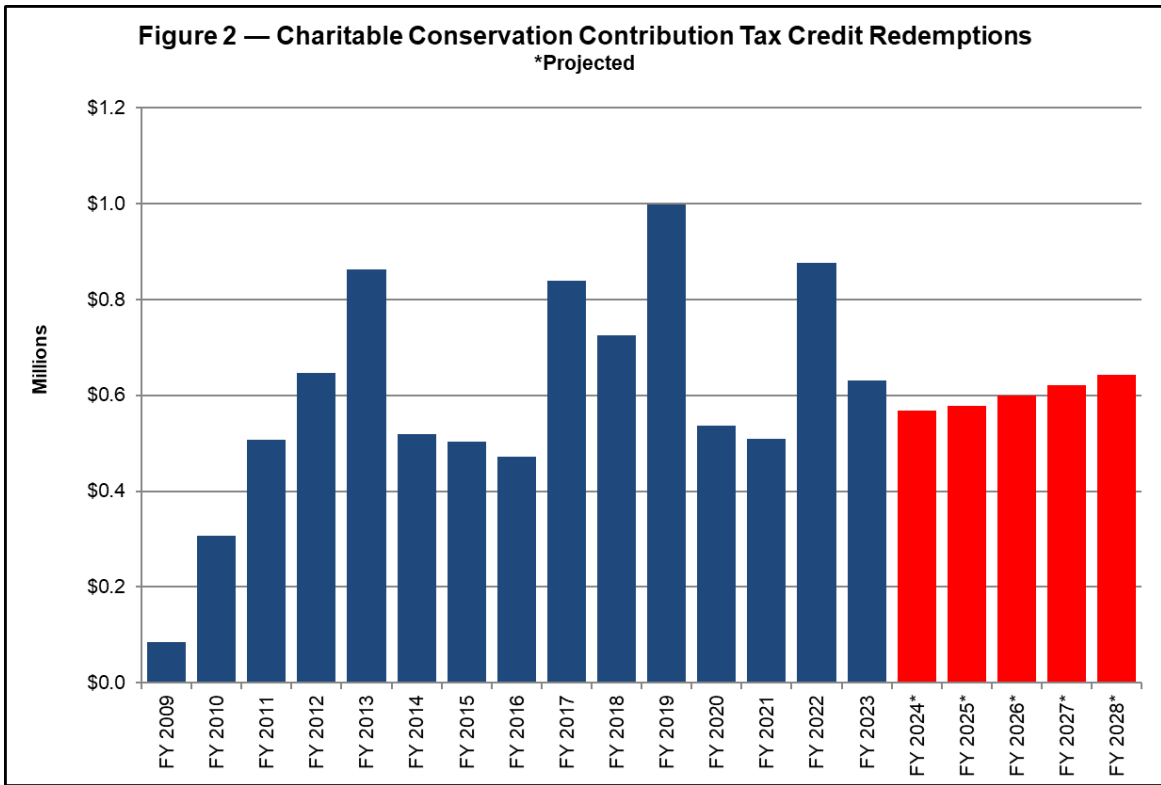
Tax Credit Review, Usage, and Future Liability

The Department of Revenue reviewed the Charitable Conservation Contribution Tax Credit in a report released in December 2020. Its findings were as follows:

- For tax years 2008 through 2018, a total of 377 claims for the credit were made, totaling \$11.9 million. In most instances, the credit would be redeemed by the taxpayer over a number of tax years. The average tax credit amount was \$31,584 across the 377 claims. Resident taxpayers claimed 85.7% of the total amount of claims over the 11 years, while nonresident taxpayers claimed 14.3%.
- As nonrefundable tax credits that cannot be transferred to another taxpayer but can be claimed over a number of tax years, the total amount redeemed in tax years 2008 through 2018 equaled \$6.3 million, 52.9% of the \$11.9 million claimed. The remaining 47.1% may be claimed in future tax years.
- Only 116 of the total number of contributions provided sufficient background information for the following analysis. 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 116 contributions that could be analyzed with available data:
 - A total of 14,493 acres of land valued at more than \$31.0 million was donated since program inception. Land donations and bargain sales accounted for 57.0% of the contributed value, while conservation easements accounted for 20.6%.
 - Thirty-six percent of contributions exceeded the maximum allowed tax credit (\$200,000 in donated value, \$100,000 in tax credit), meaning that the contributor's tax credit earned was less than the maximum 50.0% of the value of the contribution.
 - The organizations receiving donations include the Iowa Natural Heritage Foundation, the Nature Conservancy, and county governments.

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 the October 2023 report, the following figures provide credit redemption history and projections for the Charitable Conservation Contribution Tax Credit. The blue bars of **Figure 2** 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.

Fiscal Year	Tax Credit Redemptions	Fiscal Year	Tax Credit Redemptions
FY 2008	\$ 0	FY 2019	\$ 997,989
FY 2009	84,665	FY 2020	536,549
FY 2010	307,431	FY 2021	508,281
FY 2011	507,728	FY 2022	876,427
FY 2012	646,685	FY 2023	631,035
FY 2013	861,409	FY 2024*	568,639
FY 2014	519,249	FY 2025*	577,263
FY 2015	502,568	FY 2026*	599,352
FY 2016	471,157	FY 2027*	621,032
FY 2017	837,837	FY 2028*	642,779
FY 2018	724,656		



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