Legislative Services Agency
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Fiscal Services Division

Fiscal Topic

Tax Credit: Charitable Conservation Contribution Tax Credit

November 4, 2026

Purpose and History

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 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) Section 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 Iowa Department of Revenue (IDR) 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 (FY 2009 Standing Appropriations Act)
- Iowa Code Citations:
  - Section 422.11W — Individual Income Tax
  - Section 422.33(25) — Corporate Income Tax
- Administrative State Agencies: 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

Tax Credit Review, Usage, and Future Liability

The IDR reviewed the Charitable Conservation Contribution Tax Credit in a report released in December 2025. The findings were as follows:

- For tax years 2008 through 2023, a total of 498 tax credits were earned, totaling $15.3 million. In most instances, the credit would be redeemed by the taxpayer over a number of tax years. The

average tax credit amount was $38,398 across the 498 claims. Resident taxpayers claimed 82.2% of the total amount of claims over the 16 years, while nonresident taxpayers claimed 17.8%.

- 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 2023 that were earned in the same tax year equaled $3.4 million, 21.9% of the $15.3 million earned. The remaining 78.1% of earned tax credits were carried forward to future years.
- An unidentified portion of the total number of contributions provided sufficient background information for the following analysis. Missing information included the number of acres, the 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. The contributions that could be analyzed with available data are analyzed below:
  - A total of 16,559 acres of land valued at more than $40.9 million have been donated since program inception. Land donations and bargain sales accounted for 46.8% of the contributed value, while conservation easements accounted for 43.9%.
  - The total Charitable Conservation Contribution Tax Credit deduction was $7.2 million, with an expenditure per acre of $436, equaling 17.6% of land value contributed to the program, meaning a number of charitable contributions exceeded the maximum allowed tax credit of 50.0% of the value of the contribution ($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.

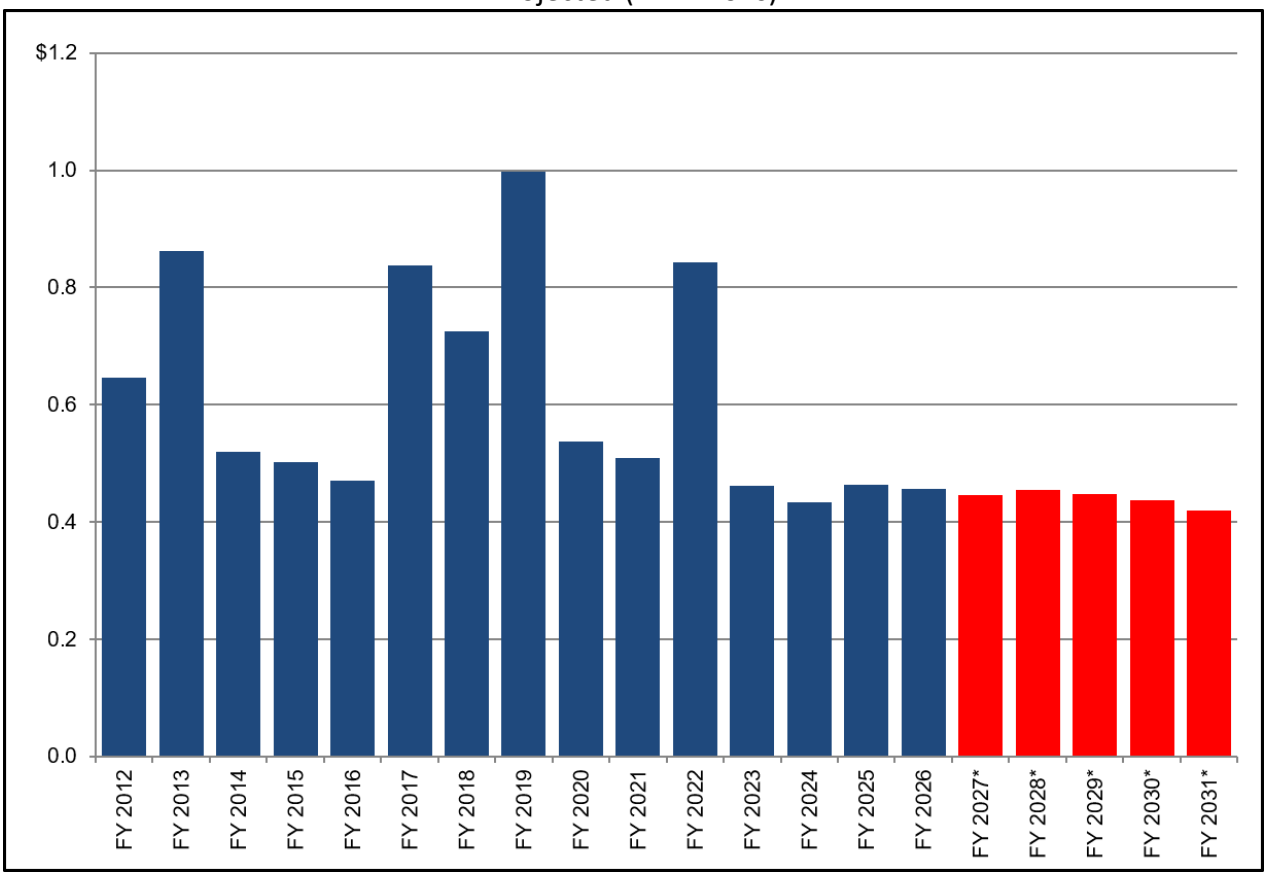
The IDR reports on the annual credit usage for the Charitable Conservation Contribution Tax Credit in its periodic Contingent Liabilities Report. Based on Table 8 of the report, the data in **Figure 1** provides credit redemption history and projections for the Charitable Conservation Contribution Tax Credit. The blue bars of **Figure 2** indicate actual credit redemptions, while the red bars are IDR projections of future redemptions. Future redemptions include not only new donations but also any carryforward credits from previous years.

Figure 1 — Charitable Conservation Contribution Tax Credit History

*Projected

Fiscal Year	Tax Credit Redemptions	Fiscal Year	Tax Credit Redemptions
FY 2012	$ 646,685	FY 2022	$ 842,954
FY 2013	861,409	FY 2023	461,590
FY 2014	519,249	FY 2024	433,849
FY 2015	502,568	FY 2025	462,769
FY 2016	471,157	FY 2026	456,203
FY 2017	837,837	FY 2027*	445,177
FY 2018	724,656	FY 2028*	454,953
FY 2019	997,989	FY 2029*	446,969
FY 2020	536,549	FY 2030*	436,375
FY 2021	508,281	FY 2031*	420,059

Figure 2 — Charitable Conservation Contribution Tax Credit History
*Projected (in Millions)



Additional Information

For additional information, visit:

- Iowa Department of Revenue Contingent Liabilities Report
- Iowa Department of Revenue Tax Credit Users' Manual
- Legislative Services Agency Individual Income Tax Guide
- Iowa Department of Revenue Tax Credit Review

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Doc ID 1618672