

# House File 832 - Introduced

HOUSE FILE \_\_\_\_\_  
BY SHOMSHOR

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing for individual and corporate income tax credits  
2 for the charitable conveyance of real property for  
3 conservation purposes and including a retroactive  
4 applicability date provision.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 2290HH 82  
7 mg/je/5

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1 1 Section 1. NEW SECTION. 422.11T CHARITABLE CONSERVATION  
1 2 CONTRIBUTION TAX CREDIT.  
1 3 1. The taxes imposed under this division, less the credits  
1 4 allowed under sections 422.12 and 422.12B, shall be reduced by  
1 5 a charitable conservation contribution tax credit equal to  
1 6 fifty percent of the fair market value of a qualified real  
1 7 property interest located in the state that is conveyed as an  
1 8 unconditional charitable donation in perpetuity by the  
1 9 taxpayer to a qualified organization exclusively for  
1 10 conservation purposes. The maximum amount of tax credit is  
1 11 one hundred thousand dollars. The amount of tax credit  
1 12 claimed shall not be deductible in determining taxable income  
1 13 for state tax purposes.  
1 14 2. For purposes of this section, "conservation purpose",  
1 15 "qualified organization", and "qualified real property  
1 16 interest" mean the same as defined for the qualified  
1 17 conservation contribution under section 170(h) of the Internal  
1 18 Revenue Code, except that a conveyance of land for open space  
1 19 for the purpose of fulfilling density requirements to obtain  
1 20 subdivision or building permits shall not be considered a  
1 21 conveyance for a conservation purpose.  
1 22 3. Any credit in excess of the tax liability is not  
1 23 refundable but the excess for the tax year may be credited to  
1 24 the tax liability for the following twenty tax years or until  
1 25 depleted, whichever is the earlier.  
1 26 4. An individual may claim the tax credit allowed a  
1 27 partnership, limited liability company, S corporation, estate,  
1 28 or trust electing to have the income taxed directly to the  
1 29 individual. The amount claimed by the individual shall be  
1 30 based upon the pro rata share of the individual's earnings of  
1 31 the partnership, limited liability company, S corporation,  
1 32 estate, or trust.  
1 33 Sec. 2. Section 422.33, Code 2007, is amended by adding  
1 34 the following new subsection:  
1 35 NEW SUBSECTION. 24. a. The taxes imposed under this  
2 1 division, less the credits allowed under sections 422.12 and  
2 2 422.12B, shall be reduced by a charitable conservation  
2 3 contribution tax credit equal to fifty percent of the fair  
2 4 market value of a qualified real property interest located in  
2 5 the state that is conveyed as an unconditional charitable  
2 6 donation in perpetuity by the taxpayer to a qualified  
2 7 organization exclusively for conservation purposes. The  
2 8 maximum amount of tax credit is one hundred thousand dollars.  
2 9 The amount of tax credit claimed shall not be deductible in  
2 10 determining taxable income for state tax purposes.  
2 11 b. For purposes of this section, "conservation purpose",  
2 12 "qualified organization", and "qualified real property  
2 13 interest" mean the same as defined for the qualified  
2 14 conservation contribution under section 170(h) of the Internal  
2 15 Revenue Code, except that a conveyance of land for open space  
2 16 for the purpose of fulfilling density requirements to obtain  
2 17 subdivision or building permits shall not be considered a  
2 18 conveyance for a conservation purpose.

2 19 c. Any credit in excess of the tax liability is not  
2 20 refundable but the excess for the tax year may be credited to  
2 21 the tax liability for the following twenty tax years or until  
2 22 depleted, whichever is the earlier.

2 23 Sec. 3. RETROACTIVE APPLICABILITY DATE. This Act applies  
2 24 retroactively to January 1, 2007, for tax years beginning on  
2 25 or after that date.

2 26 EXPLANATION

2 27 This bill allows for a tax credit under the individual or  
2 28 corporate income tax for the charitable contribution of real  
2 29 estate to qualified organizations exclusively for qualified  
2 30 conservation purposes. A qualified organization includes  
2 31 certain governmental units, public charities that meet certain  
2 32 public support tests, and certain supporting organizations. A  
2 33 qualified conservation purpose includes: preserving land for  
2 34 outdoor recreation by or for the education of the general  
2 35 public; protecting a relatively natural habitat of fish,  
3 1 wildlife, or plants; preserving open space for the public's  
3 2 scenic enjoyment or under a governmental conservation policy  
3 3 that will yield a significant public benefit; and preserving  
3 4 an historically important land area or a certified historic  
3 5 structure.

3 6 The amount of the credit is 50 percent of the fair market  
3 7 value of the charitable contribution not to exceed \$100,000.  
3 8 The credit is nonrefundable but any excess may be carried  
3 9 forward to the following 20 tax years, or until depleted.

3 10 The bill applies retroactively to January 1, 2007, for tax  
3 11 years beginning on or after that date.

3 12 LSB 2290HH 82

3 13 mg:sc/je/5