

Senate Study Bill 1349

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

Passed Senate, Date _____ Passed House, 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 2290SC 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 2290SC 82

3 13 mg:sc/je/5