

# An Islesboro Landowner's Guide

## *to new federal tax incentives for conservation easements*

---

*Congress recently passed a law to enhance the tax benefits of protecting your land by donating a conservation easement. If you own land on Islesboro with important natural or historic resources, donating an easement could be one of the smartest ways to conserve the land you love. A conservation easement helps protect Islesboro's natural heritage, maintains your private property rights, and may provide significant federal tax benefits.*

### **Some highlights of the new legislation:**

- ↻ A conservation easement donor may now deduct up to 50% of their adjusted gross income in any year;
- ↻ Qualifying farmers and ranchers may deduct up to 100% of their adjusted gross income;
- ↻ Donors may now carry over deductions for their contribution for as many as 15 years;

*Under the old law, easement donors could deduct up to 30% of their adjusted gross income in any year, with a maximum five year carry over period. These changes allow many landowners with modest income and/or high value property to deduct much more than they could previously, bringing increased fairness to the tax code.*

### **What do you need to know about conservation easements? Here are some facts:**

- ↻ A conservation easement is a voluntary legal agreement between a landowner and Islesboro Islands Trust that permanently limits uses of the land in order to protect important conservation values. It allows you to continue to own and use your land, sell it, or pass it on to future generations.
- ↻ When you donate a conservation easement to Islesboro Islands Trust, you give up some of the rights associated with the land. For example, you might give up the right to build additional houses. Islesboro Islands Trust is responsible for making sure the terms of the easement are followed.
- ↻ Conservation easements vary widely, and are always tailored to meet the landowner's needs. An easement may apply to just a portion of a property, and need not allow public access.
- ↻ Islesboro Islands Trust has been accepting conservation easements for 30 years, and has partnered with numerous Islesboro landowners to protect over 750 acres on the island in this way.
- ↻ A conservation easement benefits the public by permanently protecting important conservation resources. If the easement meets federal tax code requirements, it can qualify as a tax-deductible charitable donation. The amount of the donation is the difference between the land's value with the easement and its value without the easement.
- ↻ We recommend that a landowner obtain professional legal and financial advice before donating a conservation easement.

**To learn more about protecting your land with a conservation easement,  
call Islesboro Islands Trust at 734-6907.**

