

# **Georgia Conservation Tax Credit Summary Report February 2009**

Department of Natural Resources  
Wildlife Resources Division  
Nongame Conservation Section

## **Background**

The Conservation Tax Credit legislation (H.B. 1107) was signed into law on April 21, 2006, creating a new state income tax credit for land conservation. The purpose of this tax credit is to increase the financial incentive for a willing landowner to permanently protect their property. The tax credit is for up to 25% of the fair market value of the donation, with a maximum credit of \$250,000 per individual and \$500,000 per corporation.

The property must be donated to a government entity or to a qualified non-profit organization and must meet at least one of the ten conservation goals listed in the Land Conservation Act. The Georgia Department of Natural Resources (Department) is responsible for ensuring that donated property permanently protects at least one of these conservation goals and that the property is being donated to a “qualified organization”. The certification procedure is administered through the Department’s Wildlife Resources Division, Nongame Conservation Section.

## **2008 Legislative Changes and Rule Development**

In April 2008, H.B. 1274 was passed which amended the tax credit legislation to fix some problems recognized with the original legislation. A major correction was defining that the value of the donation will be determined by a qualified appraisal. Prior to this change, it was up to the local county tax assessor to evaluate and many people had problems with their assessments. The new legislation also now allows for discounted sales of property or conservation easements to be eligible for the tax credit. A third major change in the new legislation is that the Department will now define conservation purposes, and not rely on the 10 goals defined in the Land Conservation Act.

## Summary Statistics (December 2006 - February 2009)

To date, the Department has received 122 tax credit certification applications. The number of applications received each year is increasing exponentially, with 3 received in 2006, 35 received in 2007, and 76 received in 2008 (Figure 1). Total acreage certified under the program since 2006 is 34,621 acres (Figure 2).

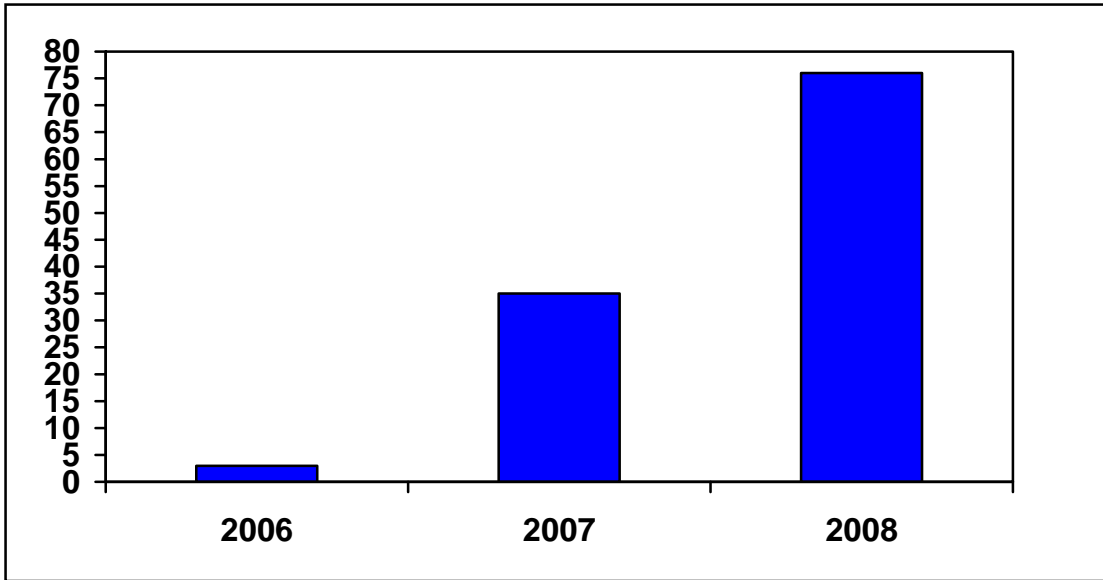


Figure 1. Number of tax credit certification applications received by year.

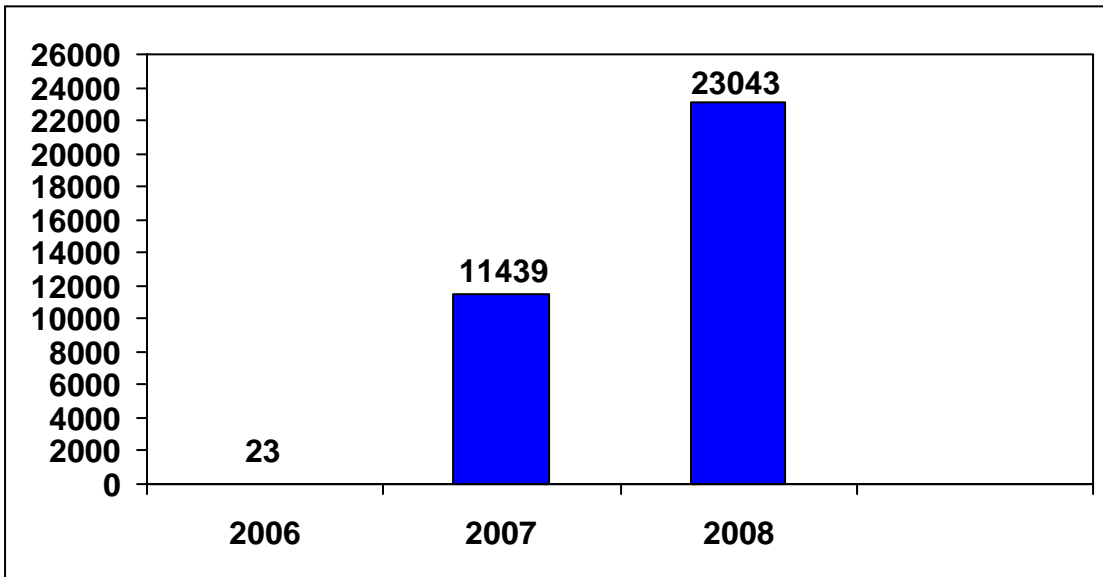


Figure 2. Number of acres certified for the tax credit in 2006, 2007 and 2008.

To date, 99 applications have been certified for the tax credit. The majority of these donations have been conservation easements to local land trusts (95%), with very few outright donations of fee-simple property (Figures 3 and 4). Both individuals and corporations are applying for the credit, with slightly more than half from individuals (Figure 5). The size of property varies, with 100-200 acres the most common size of donation (Figure 6).

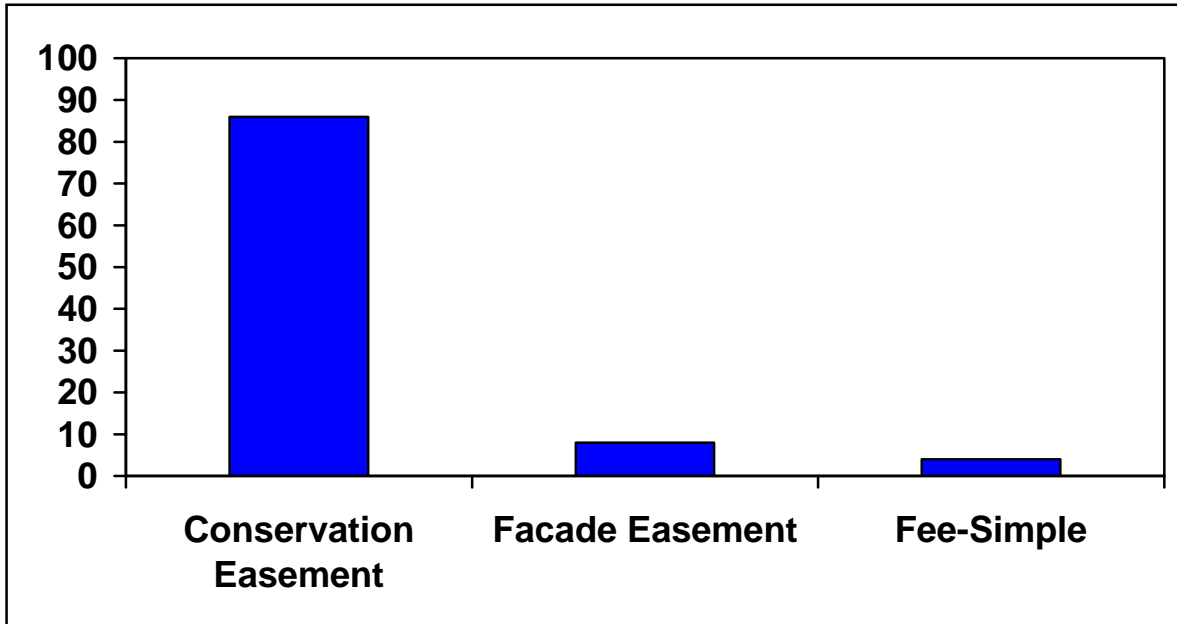


Figure 3. Number of tax credit certifications by type of donation.

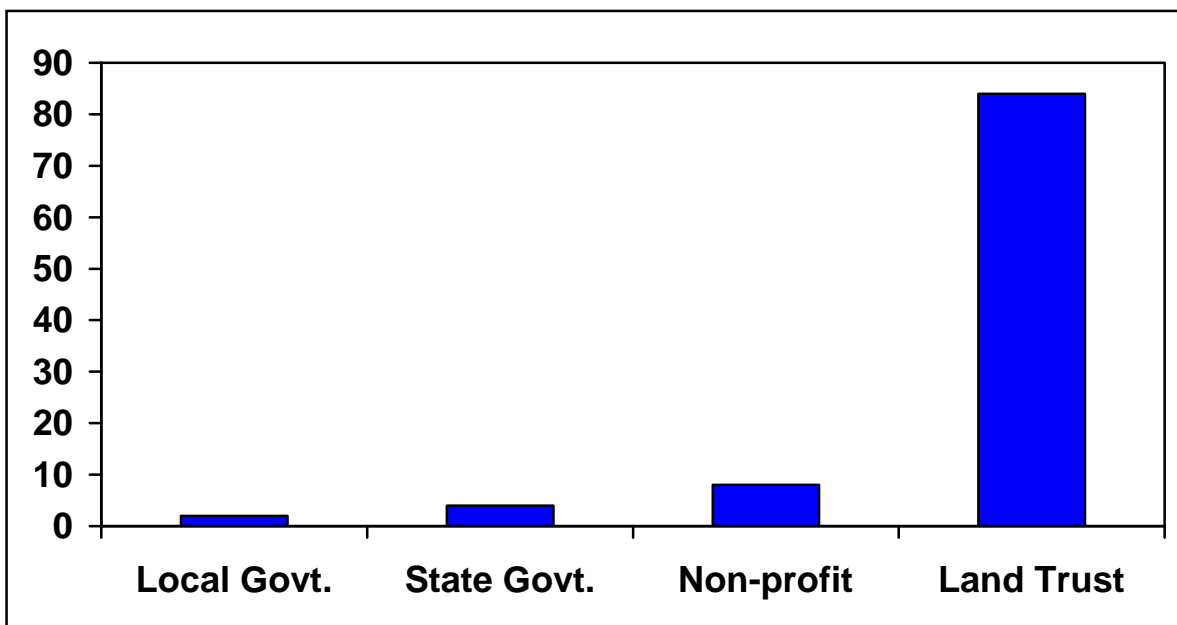


Figure 4. Number of tax credit certifications by Grantee type.

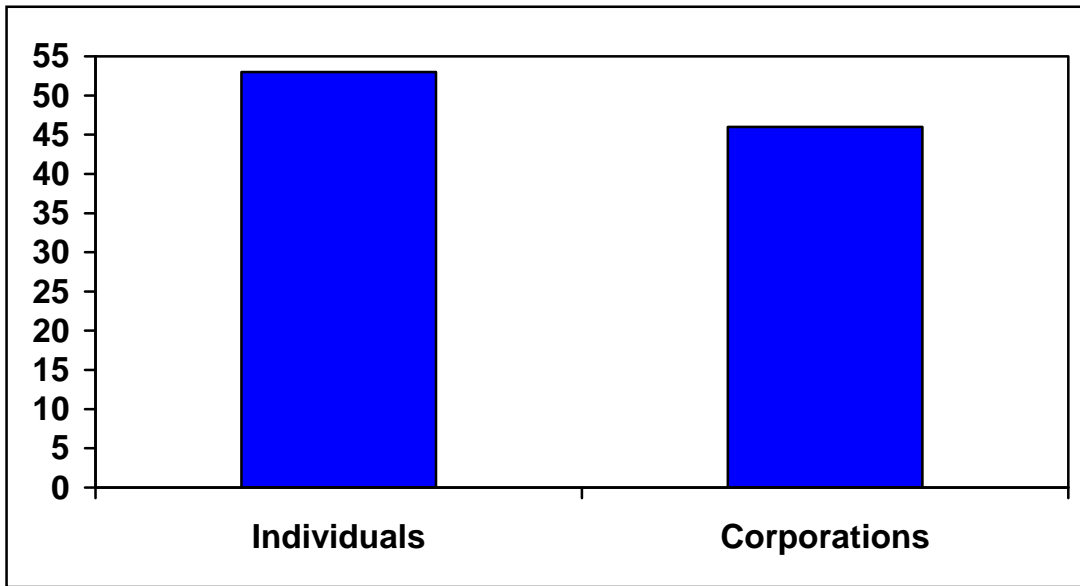


Figure 5. Number of tax credit certifications by individuals and corporations.

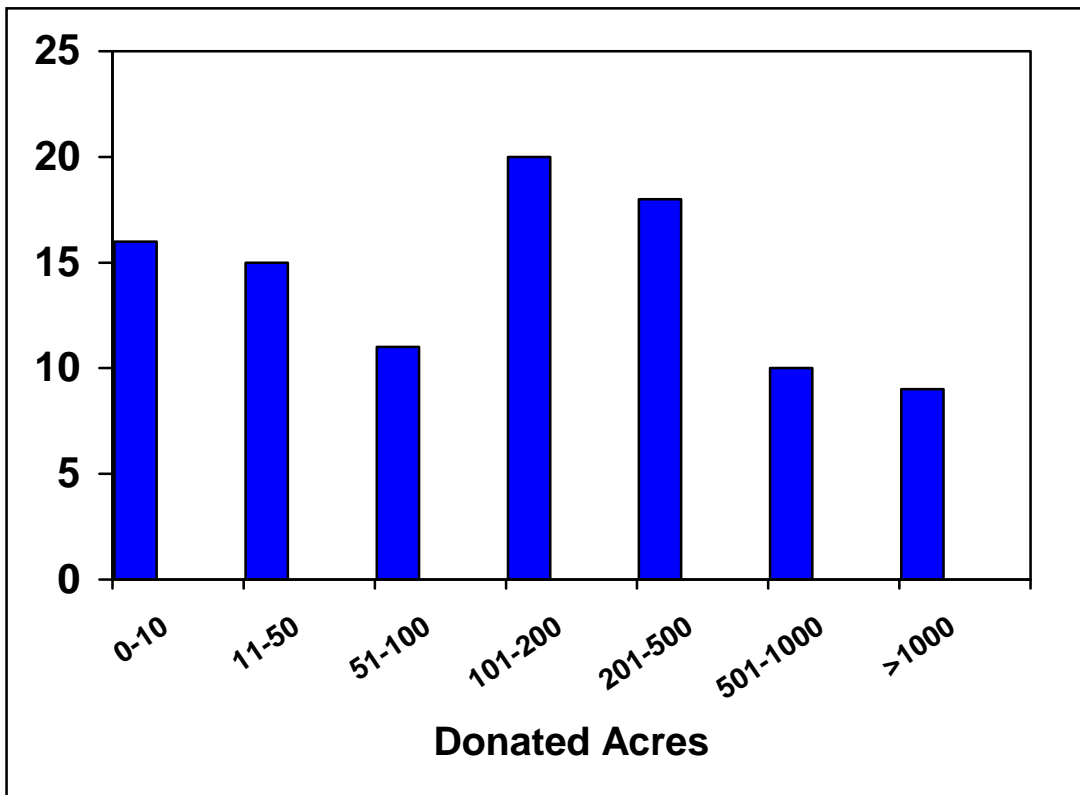


Figure 6. Number of tax credit certifications categorized by size of donation.

The locations of certified tax credit donations are spread throughout the state (Fig 7), with 58 counties represented. While many of the donations are of large, rural tracts, there have also been a fair amount of urban lands certified. Roughly 50% of certified properties are from counties that can be considered “urban” and 25% of all certified donations are for properties of less than 25 acres.

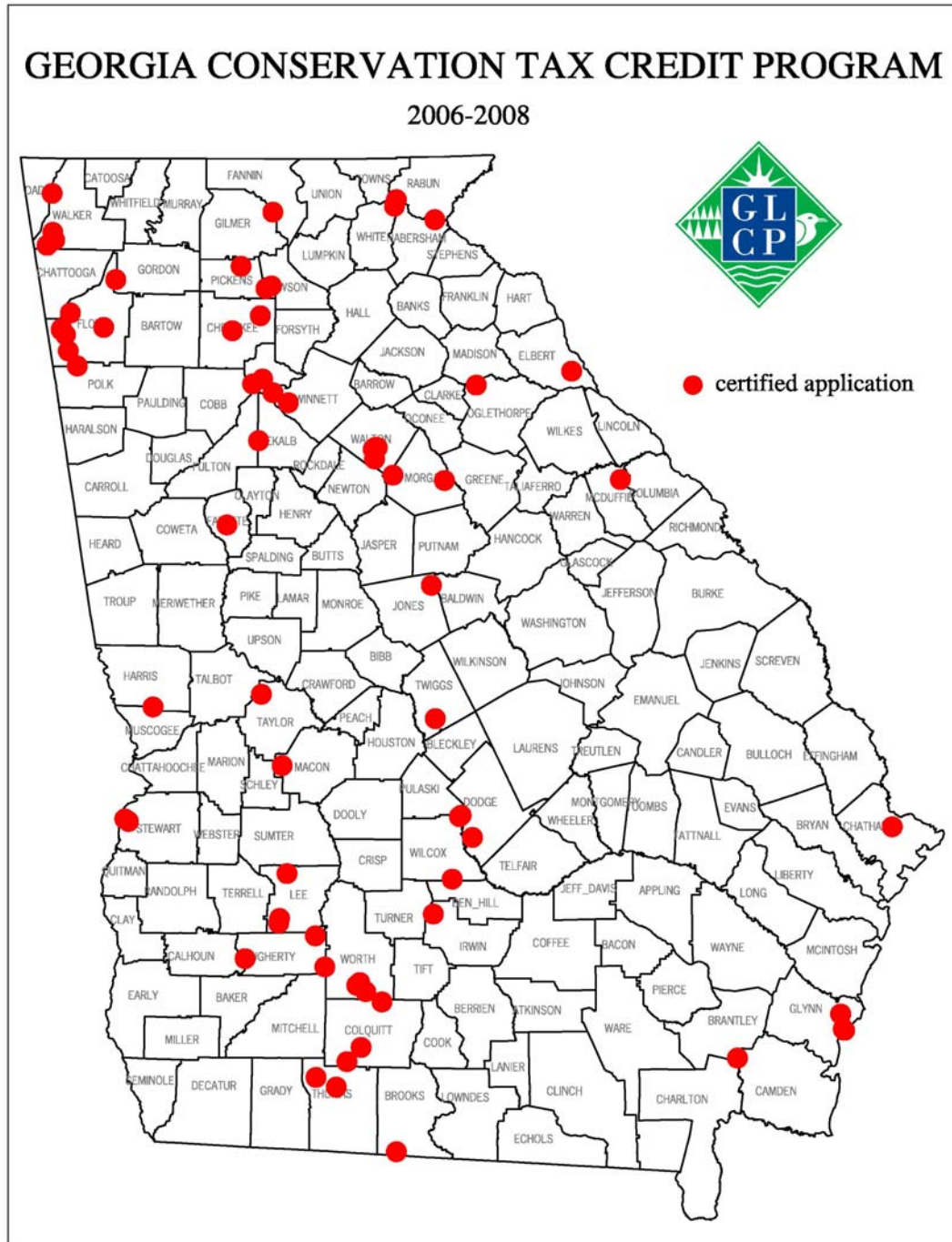


Figure 7. Location of certified tax credit donations