



## Save Money on Taxes and Protect Open Space: Conservation Easement Income Tax Credits

You can save thousands of dollars on your state income tax bill by participating in the state of Colorado's unique conservation easement income tax credit program and help preserve Colorado's natural treasures. Landowners who permanently preserve their land for agriculture, scenic views or wildlife habitat can generate state income tax credits that can then be sold at a discount to taxpayers. This is relevant for you if you have a state income tax liability of at least \$10,000 in a given year.

Conservation easement income tax credits can be purchased at a discount, often at a savings of 10-14% depending on how early you purchase the tax credits and the quantity of credits you purchase. For example, if you have a \$100,000 state income tax liability, you can purchase \$100,000 worth of tax credits for between \$86,000-90,000, thereby saving \$10,000-14,000. You buy the credits directly from the person who donated the conservation easement so you are helping to promote the preservation of valuable wildlife habitat, scenic vistas, farms and ranches.

A tax credit broker will match you up with a conservation easement donor and will review all of the necessary documentation to support the creation of the conservation easement tax credit. That includes reviewing the deed of conservation easement, title commitment, appraisal, mineral report, baseline inventory, IRS forms and other documents that may be necessary to ensure that the state Division of Real Estate certifies the credit. The tax credit broker also prepares the transfer documents between you and the seller of the credit and the forms you will need to file with your state income tax return. Part of the service a broker provides is to follow up with the sellers to verify that they filed their taxes correctly and reported the credit sale to the state validating each buyer's credits.

Next time you are admiring the mountain views across a grassy meadow, you may be observing a conservation easement property, and by purchasing conservation easement tax credits, you can help ensure that there are more protected lands for generations of Coloradoans to enjoy.

### For more information, please contact:

#### Tax Credit Connection, Inc.

Ariel Steele • Owner • 303 774 8127 • [ariel@taxcreditconnection.com](mailto:ariel@taxcreditconnection.com)

Cody MacDonald • Land Protection Specialist • 303 774 8195 • [cody@taxcreditconnection.com](mailto:cody@taxcreditconnection.com)

2919 W. 17th Ave., Ste. 201, Longmont, CO 80503 • [www.taxcreditconnection.com](http://www.taxcreditconnection.com).

This information is not intended to be legal or financial advice. Please consult your own advisor.

#### Examples:

Mr. and Mrs. Seller donated a conservation easement in 2016 worth \$200,000 and want to sell their tax credits. Mr. and Mrs. Buyer have a large Colorado state tax bill worth \$100,000 and want to purchase the tax credits in July 2016.

Tax Credits	\$100,000
Purchase Rate	87%
Sale Price	\$87,000
<b>Buyer Savings</b>	<b>\$13,000</b>

If Mr. and Mrs. Buyer purchase tax credits in February 2017, the rate would increase to 90%, still saving the buyers \$10,000.

Tax Credits	\$100,000
Purchase Rate	90%
Sale Price	\$90,000
<b>Buyer Savings</b>	<b>\$10,000</b>