



## **New Mexico Transferable Income Tax Credit for Land Conservation**

Starting in 2008 conservation easements granted in New Mexico will qualify landowners at any income level for up to \$250,000 in transferable state income tax credit, which can be sold for a direct cash payment.

Landowners can claim 50 percent of the appraised value of a conservation easement up to a maximum of \$250,000 as a dollar-for-dollar credit against New Mexico state income tax. For example, if the value of the development rights you extinguish with a conservation easement is \$500,000, you qualify for the full \$250,000.

The transferability means that if a landowner cannot or chooses not to use the credit, she or he can sell it through a tax credit broker for an estimated 80 to 83 percent of its face value. Once the credit is claimed landowners have up to 20 years to use it or sell it, either in increments or all at once. This comes to a direct cash payment of up to around \$200,000. If the property has multiple owners, say a husband and wife, other family members, or other joint ownership, each one can qualify independently for the credit.

Conservation easements allow you to decide how your land will be cared for in the future by voluntarily choosing not to develop it, but you still own it and are not required to provide public access. And you can continue to use the land for farming, ranching, or sustainable forestry, can reserve limited home sites for kids or grandkids, can sell it or pass it on to heirs, but the protection stays with the land forever no matter who owns it.

Voluntary conservation easements still qualify landowners for other tax incentives, as well, including significant federal income tax deductions and reducing or eliminating estate taxes when the land passes from one generation to the next.

At last, landowners at any income level can get paid for the public service of permanently conserving their land, maintaining healthy watersheds and vegetation and wildlife habitat, and protecting beautiful, open landscapes.

*For more information contact:*

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