



Land Preservation Tax Credit ("LPTC")

To encourage land preservation, Virginia offers an income tax credit. The Virginia Land Preservation Tax Credit ("LPTC") is based on a conservation easement that is a permanent restriction placed on real estate by a property owner limiting some or all of the development rights associated with the property. The tax credit is equal to 40% of the reduction in fair market value of the land at the time the easement is recorded, as determined by a qualified appraiser.

In order to be eligible, one gives or conveys land or the right to use land (easement) to a public or private nonprofit group; the nonprofit group must be classified as a Section 501(c)(3) organization by the Internal Revenue Service. The gift must be permanent and the land cannot be developed for another use. The approved land uses are:

- Historical or conservation preservation
- Agricultural use
- Forest use
- Open space
- Natural resource conservation

Tax credits are capped at \$20,000 per year through 2020. Any tax credit that exceeds an individual's tax liability may be carried forward for 10 years (or 11 years, see Transfer of Credits below). The total amount of tax credits that can be issued statewide each fiscal year cannot exceed \$75 million. Tax credits are issued on a first come, first served basis.

Applications, along with appropriate documentation must be submitted to the Virginia Department of Conservation and Recreation no later than December 31st of the year following when your donation was recorded.

Transfer of Credits - Land preservation credits are transferable. Credits transferred to an individual are subject to the same annual limit of \$20,000. Any tax credit that has been transferred to an individual and exceeds an individual's tax liability, may be carried forward for 11 years.

For more information about the Virginia Land Preservation Tax Credit program, please visit the Virginia Department of Conservation and Recreation website at <http://www.dcr.virginia.gov/land-conservation/lpc>. Please contact our office if you have questions on the Virginia LPTC.