



STATE POLICY

Support for HB19-1264 Working Group Recommendations

Keep It Colorado supports efforts to resolve outstanding historical issues with the tax credit program in order to create a stronger program and unified conservation community.

To advance these efforts, Keep It Colorado is supporting the recommendations submitted by the HB19-1264 Working Group because:

- The landowner compensation will provide fair reimbursement to farmers, ranchers and other landowners who conveyed an easement in good faith but whose credits were denied. Funding for the settlements, which is estimated at a maximum of \$147 million, will come from the unused tax credit cap from previous years, which is approximately \$170 million. Additionally, Keep It Colorado believes there are landowners who will not apply for settlements, making the total cost less than the maximum identified, and providing more than enough funding from the unused tax credit cap from previous years. Should the cost of settlements exceed the unused tax credits from previous years, then a limited portion of future years' credit cap may be used.
- The recommendations create a comprehensive program that allows the Colorado Division of Conservation and the conservation community to work together to monitor and then reassign orphaned (abandoned) easements with funding from the tax credit cap.
- The recommendations seek an adjustment to the tax credit formula to increase the percentage that a grantor can claim, to support landowners across the state in advancing more conservation in areas where the public benefit for conserved lands is high but the development pressure is low.

Keep It Colorado supports fair landowner reimbursements to actual farmers and ranchers who were previously harmed by the abuse of the tax credit program.

Conservation Easements and Transmission Lines

Keep it Colorado will work with the energy industry and other partners to develop strategies that will ensure the protection of conservation values while at the same time advancing Colorado's renewable energy goals.

Tax Credit Program Technical Adjustments and Redefining "Taxpayer" to include Water Entities

Keep It Colorado supports making technical adjustments to the tax credit program in an effort to create more consistency and efficiency for landowners and conservation easement professionals, as well as redefining "taxpayer" to include water entities in the tax credit program. The recommended changes include:

- Strategically amend the definition of "taxpayer" to include water entities and expand conservation initiatives related to water. The new definition will also address current administrative issues for out-of-state landowners.



Keep It Colorado 2020 Policy Platform

- Create a system for the Division of Conservation to issue and track tax credit certificates to buyers.
- Simplify the refund process for landowners in a TABOR surplus year.
- Require title commitments to be submitted to the Division of Conservation with the tax credit application.

FEDERAL POLICY

End Syndications and Tax Shelters

Support H.R. 1992 and S. 170. through member advocacy and lobbying the Colorado delegation for their support.

Seek an Exemption from SALT

Support IRS reform and legislative action that exempts conservation donations and tax credits from harm under the State and Local Tax limitations.

Support Farm Bill Funding

Support involvement in rulemaking and implementation of the Farm Bill through member advocacy.

Support LWCF Funding and Third-Party Holders

Support efforts to secure full and dedicated funding as well as expand the program so eligible third parties can hold easements.

Monitoring Preserving Family Farms Act of 2019

Monitor legislation seeking to amend the Internal Revenue Code to increase the limitation on the special-use value for farmland or other trades of businesses for estate tax purposes.