



KAPLAN KIRSCH ROCKWELL

Colorado Increases Tax Credit Incentive for Conservation Easements

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The Colorado Legislature has increased the Colorado income tax credit to 90% of donation value for conservation easements in legislation that is on its way to the Governor for action. Previously the incentive was 50% of donation value plus \$25,000. The change is effective retroactively starting January 1, 2021. The transaction cap of \$5 million per conservation easement, earned in annual increments of \$1.5 million remains in effect, as does the annual program cap of \$45 million. The program cap has not been reached in recent years, but with this increase we expect the program cap may come into play. Applications for tax credits are processed on a first come first served basis, and are filed after the conservation easement has been conveyed. Tax credits earned in excess of the annual program cap are placed on a waiting list in the order of application to be issued in the following year or years. The tax credits may be used to offset Colorado income tax for up to 20 years, or sold.

This is great news for conservation in Colorado!

For further information please contact Bill Silberstein or Heather Haney.