

By: Representatives McBride, Guice, Simpson, To: Ways and Means  
Peranich

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 701

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR DONATIONS OF LAND  
2 WHICH ARE PRIORITY CONSERVATION SITES UNDER THE MISSISSIPPI  
3 NATURAL HERITAGE PROGRAM OR WHICH ARE ALONG STREAMS NOMINATED TO  
4 THE MISSISSIPPI SCENIC STREAMS STEWARDSHIP PROGRAM; AND FOR  
5 RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** (1) As used in this section, the following words  
8 and phrases shall have the following meanings, unless the context  
9 clearly indicates otherwise:

10 (a) "Eligible land" means nonindustrial private lands  
11 in the state that are adjacent to and along a stream which is  
12 fully nominated to the Mississippi Scenic Streams Stewardship  
13 Program, or nonindustrial private lands in the state which are  
14 considered to be priority sites for conservation under the  
15 Mississippi Natural Heritage Program.

16 (b) "Eligible owner" means a private individual, group  
17 or association other than a private corporation, or any subsidiary  
18 thereof, which manufactures products or provides public utility  
19 services of any type.

20 (c) "Interest in land" means any right in real  
21 property, including access thereto or improvements thereon, or  
22 water, including, but not limited to, a fee simple easement, a  
23 conservation easement, provided such interest complies with the  
24 requirements of the United States Internal Revenue Code Section  
25 170(h), partial interest, mineral right, remainder or future  
26 interest, or other interest or right in real property.

27 (d) "Land" or "lands" means real property, with or  
28 without improvements thereon, rights-of-way, water and riparian



29 rights, easements, privileges and all other rights or interests of  
30 any land or description in, relating to, or connected with real  
31 property.

32 (e) "Allowable transaction costs" mean the costs of the  
33 appraisal of the lands or interests in lands, including  
34 conservation easements, that are being donated, of the baseline  
35 survey of the natural features, animals and plants present on the  
36 site, of engineering and surveying fees, of maintenance fees, of  
37 monitoring fees and of legal fees, including the costs of document  
38 preparation, title review and title insurance.

39 (f) "Specified conservation purposes" mean the  
40 preservation of stream bank habitats and the stability of stream  
41 banks, or the protection of land necessary because of high  
42 biodiversity significance or high protection urgency due to the  
43 presence of exemplary natural communities or species of special  
44 concern, including threatened or endangered species.

45 (2) For the taxable years beginning on or after January 1,  
46 2003, for any income taxpayer who is an eligible owner, a credit  
47 against the taxes imposed by this chapter shall be allowed in the  
48 amounts provided in this section upon the donation of land or an  
49 interest in land for specified conservation purposes.

50 (3) The credit provided for in this section shall be fifty  
51 percent (50%) of the allowable transaction costs involved in the  
52 donation for the tax year in which the allowable transaction costs  
53 occur. The aggregate amount of the credit provided in this  
54 section for allowable transaction costs shall not exceed the  
55 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax  
56 imposed upon the taxpayer for the taxable year reduced by the sum  
57 of all other credits allowable to such taxpayer under this  
58 chapter, except credit for tax payments made by or on behalf of  
59 the taxpayer. Any unused portion of the credit may be carried  
60 forward for ten (10) succeeding tax years. The maximum dollar  
61 amount of the credit provided for in this section that an eligible



62 owner may utilize during his lifetime shall be Ten Thousand  
63 Dollars (\$10,000.00) in the aggregate.

64 (4) To be eligible for the credit provided for in this  
65 section, an eligible owner must demonstrate that the donation  
66 qualifies as a conservation contribution under Section 170(h) of  
67 the United States Internal Revenue Code of 1986, by means of being  
68 a donation in perpetuity, for conservation purposes and made to a  
69 qualified holder or donee. A letter from the donee indicating  
70 acceptance and a completed copy of the appropriate United States  
71 Internal Revenue Service form shall constitute proof of  
72 acceptance. The eligible owner also must submit any other  
73 documentation that the State Tax Commission may require.

74 **SECTION 2.** This act shall take effect and be in force from  
75 and after January 1, 2003.

