

By: Representative McBride

To: Ways and Means

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



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

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

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

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

(3) The credit provided for in this section shall be fifty percent (50%) of the allowable transaction costs involved in the donation and fifteen percent (15%) of the fair market value of the donation for the tax year in which the allowable transaction costs occur or in which the donation occurs. The aggregate amount of the credit provided in this section for allowable transaction costs and for the fair market value of the donation shall not exceed the lesser of Twenty-Five Thousand Dollars (\$25,000.00) or the amount of tax imposed upon the taxpayer for the taxable year reduced by the sum of all other credits allowable to such taxpayer under this chapter, except credit for tax payments made by or on behalf of the taxpayer. Any unused portion of the credit may be



62 carried forward for succeeding tax years until the available tax
63 credit is used in its entirety. The maximum dollar amount of the
64 credit provided for in this section that an eligible owner may
65 utilize during his lifetime shall be Twenty-Five Thousand Dollars
66 (\$25,000.00) in the aggregate.

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

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

