

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.

