Iowa's Charitable Conservation Contribution Tax Credit

Tax Credit Program Evaluation Study

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Preface

During the 2005 Legislative Session the Iowa Department of Revenue received an appropriation to establish the Tax Credits Tracking and Analysis Program to track tax credit awards and claims. In addition, the Department was directed to assist the legislature by performing periodic economic studies of tax credit programs. This is the second evaluation study completed for this tax credit.

As part of the evaluation, an advisory panel was convened to provide input and advice on the study's scope and analysis. We wish to thank the members of the panel:

Biswa Das	Iowa State University
Matthew Gronewald	Iowa Department of Agriculture and Land Stewardship
Susan Kozak	Iowa Department of Agriculture and Land Stewardship
Brent Kreider	Iowa State University
Graham McGaffin	The Nature Conservancy
Anita O'Gara	Iowa Natural Heritage Foundation

The assistance of an advisory panel implies no responsibility on the part of its members for the content and conclusions of the evaluation study. This study and other evaluations of Iowa tax credits can be found on the Tax Credits Tracking and Analysis Program web page on the Iowa Department of Revenue website.

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Executive Summary

The Iowa Charitable Conservation Contribution (CCC) Tax Credit, introduced in 2008, is equal to 50 percent of the fair market value of qualifying contributed property. Charitable conservation contributions are voluntary restrictions on the use of land negotiated by a landowner and a private charitable conservation organization or government agency chosen by the landowner to hold the contribution. The voluntary restrictions on the use of land applies to all forms of charitable contributions, whether they are bargain sales, donations, or easements.

The CCC Tax Credit is automatic; any taxpayer with a qualifying charitable contribution can claim the tax credit. The credit is nonrefundable with a 20-year carryforward and is nontransferable. The maximum amount of the tax credit is $100,000, limiting eligible contributions to $200,000. The amount of the contribution for which the tax credit is claimed cannot also be an itemized deduction for charitable contributions for Iowa income tax purposes. However, if the CCC Tax Credit contribution's fair market value is above $200,000, the excess can be claimed as an itemized deduction.

The major findings of the study are as follows:

Tax Credits for Charitable Conservation Contributions across the United States

- Although the federal government does not offer a tax credit for charitable conservation contributions, the federal conservation easement tax deduction is available to individuals, corporations or partnerships who contribute a charitable land conservation easement to a qualified charitable organization. Since tax year 2006, an individual's deduction may not exceed 50 percent of the individual's federal adjusted gross income (AGI) less all other charitable contributions, but unused deductions can be carried forward 15 years.
- Along with Iowa, fourteen other states currently offer income tax credits for charitable conservation contributions to charitable organizations or government entities. All but two of the states' tax credits are nonrefundable, meaning that the taxpayer can only claim the tax credit in any year equal to the amount of tax liability owed.
- State tax credit rates range from 25 percent to 55 percent, with Iowa's 50 percent tax credit rate matching five other states. Many states have taxpayer caps ranging from $5,000 to $500,000, with Iowa's $100,000 falling approximately in the middle of the range.

Charitable Conservation Contribution Tax Credit Contributions

- Taxpayers making CCC Tax Credit claims in tax years 2008 through 2018 contributed over 15,000 acres of Iowa land, valued at over $35 million.
- CCC Tax Credit contributions were made to 16 different organizations. Seventy-six percent of the number of contributions were made to either the Iowa Natural Heritage Foundation or the Nature Conservancy. Contributions to county conservation boards and other organizations accounted for 19 percent of the number of contributions. The remaining 5 percent did not specify the type of organizations to which they contributed.
- The most popular method of conservation contribution is a conservation easement which accounts for 25.0 percent of the number of contributions and 35.5 percent of the total CCC Tax Credits earned. Conservation donations are the second most used method of conservation contribution at 24.1 percent of contributions and 24.1 percent of total credits earned. Bargain sales and easement bargain sales combined account for 24.8 percent of contributions and 17.1 percent of total credits earned. The remaining contributions did not identify the manner of contributions made.
- Contributed land is reported in 50 Iowa counties. Six counties had more than 500 acres of contributed land during the first 10 years of the CCC Tax Credit.

Characteristics of Charitable Conservation Contribution Tax Credit Claimants

- In tax years 2008 through 2018, a total of $11.9 million of CCC Tax Credits were earned for the 1,160 contributions claimed.
- Taxpayers who earn CCC Tax Credits tend to have higher AGI than other taxpayers, with 72.1 percent reporting AGI above $100,000 compared to 17.9 percent of all taxpayers in 2018. Taxpayers with an AGI of over $100,000 account for $9.4 million, or 77.4 percent, of the total earned CCC Tax Credit amounts.
- Over three-fourths of households with initial earned CCC Tax Credits are married households, including 40.1 percent filing married joint and 38.5 percent filing separately on a combined return. Married filing joint households account for 46.7 percent of the tax credit dollars initially earned and report the highest household average tax credit of almost $37,000.
- Taxpayers 55 years or older account for nearly 68 percent, or $8.2 million, of initial earned credits. Claimants of the CCC Tax Credit above 65 years old account for about 45 percent, or $5.5 million, of initial earned credits.
- Reported claimants resided in 53 different Iowa counties and outside of the state of Iowa. Of the 377 households who have earned the CCC Tax Credit, 83.3 percent reported living in Iowa, accounting for 85.7 percent of the total tax credits.

Charitable Conservation Contribution Tax Credit Claims

- Many CCC Tax Credits are not fully claimed in the year they are initially earned and many are carried forward for multiple tax years. Between the 2008 and 2018 tax years, just over $6.2 million of CCC Tax Credits were claimed out of the $11.9 million of initial earned credits.
- Since the inception of the tax credit, an average of 59.3 percent of the initial earned CCC Tax Credit amount has been claimed over the first five tax years observed, an average of around 78.4 percent has been claimed over the first 10 years. Taxpayers may be able to claim the remaining 21.6 percent of earned tax credit during the 20-year carryforward period, as long as they are able to maintain a positive tax liability, however it is unlikely that all will.

Analysis of Iowa Charitable Conservation Contribution Tax Credit

- For this study, the Iowa Natural Heritage Foundation (INHF) and the Nature Conservancy (TNC) provided annual contribution counts and total donation values for each year from 1999 through 2018. The data from these two organizations indicate that since the introduction of the tax credit in 2008, their average number of contributions increased from 16 to 25 per year. However, with multiple exogenous factors including the expansion of the federal conservation easement tax deduction effective only two years earlier, it is not possible to assign causation of the increased contributions to the Iowa CCC Tax Credit.
- Of the 270 total contributions reported by the INHF and TNC, only 95 contribution projects, or 35.2 percent, used the CCC Tax Credit. Underutilization could reflect any number of reasons including unfamiliarity with the tax credit, lack of Iowa income, lack of tax liability, the non-refundable nature of the credit, as well as the restriction against transferability. Due to the nonrefundable nature of the credit, the CCC Tax Credit is not beneficial to nonresidents or elderly residents with little to no Iowa tax liability. However, the tax credit may have incentivized some donors to make contributions at a younger age while they have Iowa tax liability to offset with the nonrefundable CCC Tax Credit.
- When analyzing only those tax credit claims where acreage, land value, and location is reported, the estimated value of land contributed and claimed under the CCC Tax Credit equals $2,289 per acre. The sum of CCC Tax Credits earned and the estimated value of the itemized deductions divided by acres contributed equals $469 per acre, or approximately 21 percent[1] of the appraised fair market value of the land contributed[2]. This falls below the full 50 percent of the appraised fair market value of the land contributions claimed under the CCC Tax Credit in part because a considerable percent of contributions exceeded the $200,000 tax credit threshold, and in part because the CCC Tax Credit, in the case of bargain sales, is only available for the difference between the appraised fair market value and the agreed upon bargain sale price. This shows that the formulation of the credit as it currently stands provides the state with a reduced realized impact when compared

[1] When earned credit amount is fully claimed.

[2] Note: This specific section of the analysis focuses on the population of credit claims where full reportable data was submitted and made available for analysis.

to the potential impact if claimants where able to claim a full 50 percent credit of the value of the contribution.

- Alternatively, to measure the marginal cost of the CCC Tax Credit to the General Fund, the reduced revenues resulting from claims were compared to the cost of charitable itemized deductions that would be available if the CCC Tax Credit did not exist. The introduction of the CCC Tax Credit reduced revenues to the State General Fund by an estimated $5.9 million or $388 per acre for the sample of contributions where full reportable data was available. Based on this analysis the cost to the state is at most approximately one-sixth of the valuation of contributed land, well below the 50 percent tax credit amount

I. Introduction

Many states, such as Iowa, grant tax benefits for charitable property contributions that comply with federal requirements. The protection of farmland, ranch land, timberland, and open space, particularly where such land is under residential or commercial development pressure and where local planning regulations identify such activities as valuable to the community, are typical objectives of conservation contributions. In addition, the protection of wetlands, floodplains, important wildlife habitat, scenic views, and historic land areas and structures are also appropriate purposes for property contributions.

The Iowa Charitable Conservation Contribution Tax Credit was first available in tax year 2008. This nonrefundable tax credit, equal to 50 percent of the value of the contribution, can be claimed by individual and corporation income taxpayers who make an unconditional charitable contribution of a qualified real property interest located in the state of Iowa to a qualified organization exclusively for conservation purposes. Charitable conservation contributions are voluntary restrictions on the use of land negotiated by a landowner and a private charitable conservation organization or government agency chosen by the landowner to hold the contribution. The voluntary restrictions on the use of land applies to all forms of charitable contributions, whether they are bargain sales, donations, or easements.

Section II of the study describes the Charitable Conservation Contribution Tax Credit and how it works. Section III provides information about similar tax credits in other states. Section IV contains a review of literature on the topic of charitable conservation contributions. Section V presents data regarding Charitable Conservation Contribution Tax Credit contributions, claimants, and claims. Section VI provides analysis of the Charitable Conservation Contribution Tax Credit and Section VII concludes this study.

One aim of this analysis is to explain how the Charitable Conservation Contribution Tax Credit is administered and how the process of earning the credit is completed. Other states have similar conservation tax credit programs to Iowa's and, in addition, this analysis will demonstrate the similarities and differences of these programs. The Charitable Conservation Contribution Tax Credit program is separated into two processes: donations and claims. This analysis will describe the donations in terms of location, size, and valuation. This analysis will describe claims in terms of the demographics of the claimants as well as the value, distribution, and timing of the claims against the total earned tax credit The analysis will describe the impact the Charitable Conservation Contribution Tax Credit program has had on conservation donations in Iowa by demonstrating the utilization of the credit by those who are making contributions Finally, the analysis will focus on the cost to the state for the benefit of conserved land through analysis of the land value of the contributions.

II. Charitable Conservation Contribution Tax Credit

The Charitable Conservation Contribution (CCC) Tax Credit is equal to 50 percent of the fair market value of an unconditional charitable contribution of a qualified real property interest located in the state of Iowa. The maximum amount of the tax credit eligible for a taxpayer is $100,000, limiting eligible contributions to $200,000. The amount of the contribution for which the tax credit is claimed shall not be claimed as an itemized deduction for charitable contributions for Iowa income tax purposes. However, if the CCC Tax Credit contribution's fair market value is above $200,000, the excess can be claimed as an itemized deduction. For example, if a taxpayer donates a qualified charitable contribution with a fair market value of $350,000, the taxpayer can claim $100,000 as a CCC Tax Credit (50 percent of the first $200,000) and $150,000 as an itemized deduction for Iowa. The taxpayer can claim the full value as a federal itemized deduction.

Charitable Conservation Contribution Tax Credits do not require a taxpayer to apply for an award from a government organization, such as the Iowa Economic Development Authority. Taxpayers claim the credit, if eligible, on the individual income or corporation income tax return. In the initial tax year when the CCC Tax Credit is earned, the taxpayer must include with their Iowa tax return a copy of the Federal Form 8283, reporting noncash charitable contributions, and any other supporting documents required to claim the deduction on the federal return. CCC Tax Credit s are not transferrable and therefore may not be sold or traded. For a contribution made by a pass-through entity, the tax credit must be distributed to each owner based upon his or her share of ownership. CCC Tax Credits are nonrefundable, which means that the amount of tax credit that can be claimed in any tax year is limited to the taxpayer's tax liability. Any tax credit in excess of the tax liability may be carried forward for up to 20 years or until the credit is claimed in full, whichever comes first.

Charitable conservation contributions are voluntary restrictions on the use of land negotiated by a landowner and a private charitable conservation organization or government agency chosen by the landowner to hold the easement. A conservation easement is a voluntary, legal agreement that permanently limits uses of the land in order to protect its conservation values. Holding a charitable conservation easement confers the right to enforce the restrictions imposed by the agreement. The terms of charitable conservation contributions are entirely up to the landowner and the charitable organization to negotiate. However, the Internal Revenue Code establishes requirements that must be met if the contribution of property is to qualify for federal tax benefits and by extension the Iowa CCC Tax Credit. These requirements include but are not limited to completion of Section B of Form 8283. This form generally requires an appraisal by a qualified appraiser a statement that identifies the conservation purposes furthered by the donation; shows the fair market value of the underlying property before and after the gift; states whether the taxpayer made the donation in order to get a permit or other approval from a local or other governing authority and whether the donation was required by a contract; and, if the taxpayer or a related person has any interest in other property nearby, describes that interest.

There are several types of contributions that qualify for the tax credit. The types of contributions that will be addressed in this study are bargain sale, conservation donation, conservation easement, and an easement bargain sale. The type of contribution can drive the fair market value used for the calculation of the amount of the tax credit.

A conservation easement is a legal agreement between a landowner and a conservation group that permanently limits the uses of the land by the current landowner and all future owners in order to protect specified conservation values. The land remains on the property tax rolls with the liability remaining with the landowner. The tax credit would equal 50 percent of the difference in appraised value of the land due to the easement restrictions.

Charitable conservation easements do not generally provide third parties or the public with the right to access or use the land subject to the agreement. However, the grantor of the charitable contribution may provide land for public use if he or she chooses. Unless the purpose of the contribution is the conservation of some feature that is meaningless without public access, such as the preservation of a scenic view, no public access is required to qualify for tax benefits.

In a conservation easement, a landowner voluntarily agrees to sell or donate certain rights associated with his or her property, often the right to subdivide or develop, and a private organization, like the Iowa Natural Heritage Foundation (INHF) or The Nature Conservancy (TNC) or a public agency like the Iowa Department of Natural Resources (DNR) agrees to hold the right to enforce the landowner's promise not to exercise those rights. In essence, the rights are forfeited and no longer exist.

According to TNC, an easement selectively targets only those rights necessary to protect specific conservation values, such as water quality or migration routes, and is individually tailored to meet a landowner's needs. Because the land remains in private ownership, with the remainder of the rights intact, an easement property continues to provide economic benefits for the area in the form of jobs, economic activity and property taxes.

A conservation easement is legally binding, whether the property is sold or passed on to heirs. TNC states that because use is permanently restricted, land subject to a conservation easement may be worth less on the open market than comparable unrestricted and developable parcels.

A bargain sale is a sale of land or interest in land to a tax-exempt conservation organization at a price less than the full market value. Bargain sales or land donations to conservation agencies generally help to create new public parks and wildlife areas. Depending upon the use of the land by the organization, the land may be taken off of the property tax rolls. In this case, the tax credit would equal 50 percent of the difference between the fair market value and the agreed upon bargain sale price of the land.

An easement bargain sale allows a landowner to receive partial compensation as an incentive to protect land with a conservation easement. An example of this practice is if the receiving organization contributed a sum of money for the donor to use for legal fees or maintenance fees for the contributed land. In this case, the tax credit would equal 50 percent of the appraised value of the land subject to the easement minus the amount of partial compensation from the receiving organization.

Donating land for conservation is another method by which a person can make a charitable contribution. If a landowner chooses to donate their land, the selected land trust organization can work with land owner to identify the best arrangement for the land and the landowner. The land trust organization might retain ownership of the property as a permanent preserve or transfer the property to a suitable owner, such as a government agency. In some cases, the land is sold to a private owner, subject to a conservation easement held by the land trust organization. According to the land trust alliance, proceeds from such a sale could fund the land trust organization’s long-term management of the conservation easement and/or help it to protect even more land.

III. Tax Credits for Charitable Conservation Contributions across the United States

A. Federal Incentives for Conservation Contributions

The federal conservation easement tax deduction is available to individuals, corporations, or partnerships who contribute a charitable land conservation easement to a qualified charitable organization. In general, the federal tax code limits the deductions of all types of charitable contributions. In the case of a charitable conservation contribution, an individual's deduction may not exceed 50 percent of the individual's adjusted gross income (AGI) less all other charitable contributions. For corporations, the maximum amount allowable for any tax year is ten percent of the corporation's income for that year. An individual who is a qualified farmer or rancher may deduct up to 100 percent of the individual's contribution base against federal tax liability based on federal AGI. However, if the property donated by the farmer is used for agriculture or livestock production, the contribution must have a restriction that the land continues to be available for that production. For most charitable contributions, individuals and corporations are permitted to carry forward unused charitable deductions for up to five years. For qualified conservation contributions, taxpayers are allowed to carry forward unused deductions for 15 years.

The federal deduction levels and limitations have changed over recent history. The most recent period of increased deduction value occurred during tax years 2006 through 2009, when the deduction limit increased from 20 to 30 percent of AGI having a 5-year carryforward to 50 percent of AGI with a 15-year carryforward. The additional tax benefit for charitable conservation contributions was one of the “extenders” that Congress repeatedly extended for short periods of time since 2010, including two years from 2010 through 2011, two years from 2012 through 2013, and one year in 2014. This created uncertainty about the availability of the expanded deduction from year to year for almost a decade. However, in December 2015, the higher deduction limit and longer carryforward period were made permanent.

B. State Incentives for Conservation Contributions

Along with Iowa, fourteen other states currently offer income tax credits for charitable conservation contributions to charitable organizations or government entities (see Table

1). Twelve states including California, Colorado, Connecticut, Delaware, Georgia, Iowa, Maryland, New Mexico, New York, North Carolina, South Carolina, and Virginia, offer income tax credits for contributions of land without specifying the topographical makeup of the land. However, two states, Arkansas and Massachusetts, specify that the conservation contribution must be a riparian zone or wetland area. A riparian zone is the interface between land and a river or stream. Mississippi requires the land be considered a priority site by the Mississippi Natural Heritage Program or lands along or adjacent to streams listed on the Mississippi Scenic Streams Stewardship Program. Six states; Arkansas, Colorado, Connecticut, Iowa, Massachusetts, and New Mexico offer a tax credit of 50 percent of the appraised fair market value of the contributed property. California offers the highest tax credit percentage at 55 percent of the appraised fair market value of the contributed property. For Maryland, the credit is equal to the difference in the fair market value of the property reduced by any payments received for the easement. Thus, the tax credit rate is essentially 100 percent, although the tax credit amount is limited to the lesser of the individual's state tax liability for that year or $5,000, per owner who qualifies to claim the credit. The other six states offer a tax credit rate between 25 percent and 40 percent.

Many states have caps on the amount of tax credit a taxpayer is eligible to earn. For example, Arkansas and Delaware cap their tax credit at $50,000 per taxpayer; Virginia’s cap increased from $20,000 to $50,000 in tax year 2017. In addition, Arkansas limits claims to the lower of tax liability or $5,000 per year over a nine-year carryforward period. Massachusetts has a $75,000 cap and limits taxpayers to claim only once every four tax years. Alternatively, South Carolina has a cap of $250 per acre of land, or a total of $52,500 per taxpayer. Iowa has the third most higher taxpayer cap at $100,000, with New Mexico and North Carolina at $250,000 per contribution and Colorado at $375,000 per contribution. Colorado leads the states with caps on the amount of tax credits that can be earned in a tax year for a conservation contribution. New York and Maryland have the lowest taxpayer cap of $5,000. California and Connecticut do not cap on the value of the tax credit the donor can earn. The two states that currently have limits on annual claims across all taxpayers are Delaware ($1 million) and Massachusetts ($2 million); Georgia incorporated a $30 million statewide cap beginning on January 1, 2016. Georgia is also unique in that it has a separate tax credit limit for individuals ($250,000) and corporations and partnerships ($500,000).

The tax credits available from most state governments are nonrefundable credits, meaning that the taxpayer can only make a claim against the tax credit earned in a year when the taxpayer has a tax liability. The tax credit claim is then limited to an amount equal to the amount of tax liability owed. Massachusetts and New York are the only states that have refundable credits for conservation contributions. All states, save New York, also provide carryforward for the taxpayer to be able to claim unused portions of the initial tax credit earned for a determined number of future tax years. Iowa provides the second longest carry forward provision of 20 years. This matches the amount of carryforward allowed by Colorado and New Mexico. South Carolina provides the longest carryforward provision by allowing claimants to carryforward unused credits indefinitely until the full credit is claimed. Five states, Colorado, Georgia, New Mexico, South Carolina, and Virginia, allow tax credits to be transferred, or sold, to other taxpayers.

IV. Literature Review

Much research and debate has occurred regarding incentivizing conservation efforts by means of federal tax deductions and state tax credits. The following section of this study will relay differing findings and views of the efficacy and authenticity of utilization of these incentives in conservation efforts.

Conservation Purpose

According to the Iowa Natural Heritage Foundation (INHF), land protection is tailored for each property and its specific conservation values, so there is a range of "conservation purposes" related to the charitable conservation contributions for which the tax credit is being claimed. For the vast majority of sites, the "conservation purpose" is protection of natural habitat for wildlife, fish, plants or similar ecosystems (INHF 2020).

INHF asserts that there are many public benefits to public conservation lands, which including sites for public parks, trails, wildlife preserves, and outdoor recreation areas. The INHF states that these sites enhance citizens' lives, wellness and mental wellbeing and help attract visitors and businesses to local communities. Most Iowans do not own land where they can immerse in nature. Public lands make it possible for people of all ages, abilities and income levels to access nature. While Iowa rivers and most lakes are public bodies of water, public conservation lands are necessary to provide people access to the waters for recreation.

The Nature Conservancy (TNC) is another organization whose mission is to preserve natural lands through charitable conservation contributions. They work with land owners who wish to protect land for future generations while allowing those owners to retain many private property rights and to live on and use their land, at the same time potentially providing them with tax benefits like the CCC Tax Credit.

There are direct economic impacts created by public protected lands. The Outdoor Industry Association's 2017 Iowa Outdoor Recreation Economy Report relates that outdoor recreation in Iowa annually generates approximately $8.7 billion in consumer spending, $649 million in state and local tax revenue, 83,000 direct jobs and $2.7 billion in wages and salaries. Most outdoor recreation in Iowa relies on access to public land. This includes trails, hunting, birdwatching, hiking, family gatherings in nature, and much more (Outdoor Industry Association 2017).

Growth in Land Easements

Nancy McLaughlin (2013) with the S.J. Quinney College of Law at the University of Utah points out that the public is investing billions of dollars in conservation easements, which now protect an estimated 40 million acres throughout the United States. However, uncertainties in the law and abusive practices threaten to undermine public confidence in and the effectiveness of the conservation easement as a land protection tool as it pertains to the federal conservation easement deduction. Representatives of both the local Nature Conservancy and Iowa Natural Heritage Foundation have stressed in the advisory panel participation that there have not been any cases of syndication in the state of Iowa and that they uphold high standards in compliance to federal, state, and local regulations. She goes on to describe survey data gathered by the Land Trust Alliance, which is the umbrella organization for the nation's land trusts, that there were only 53 state and local land trusts operating in the United States in 1950 and, at last count in 2010, there were 1,699 such land trusts showing the growth in popularity in the deduction and its utilization.

The growth of easements is enabled by broad support from a range of political perspectives. Some people prefer land trusts to traditional government-led approaches. Others view land trusts as an effective complement to more traditional government-led approaches. Because of this broad support, in recent years, federal and state lawmakers have extended or added tax benefits to those who donate easements, thereby propelling growth. Mclaughlin fears that as the use of easements has grown, however, the broad political support may be eroding.

The growth in the number of acres protected by conservation easements held by state and local land trusts has been similarly dramatic. In 1980, only approximately 128,000 acres were protected by conservation easements held by state and local land trusts. By 2010, that number had grown to more than 8.8 million acres (McLaughlin 2013). TNC, one of the national land trusts, reported holding easements protecting more than 3.1 million acres of land. According to information from the INHF, less than three percent of Iowa's land is public conservation land while over 90 percent of Iowa's rural land is in private ownership.

According to the USDA National Resource Inventory Report on the trend of land use changes between 1997 and 2007 nearly 200,000 acres of land were lost to development. Farm land enrolled in CRP (Conservation Reserve Program) dropped by 1.0 million acres, while approximately 757,000 acres were converted to cropland and 192,000 acres of pastureland were converted to cropland.

Unanswered Questions about the Effectiveness of Land Easements

Though the Federal Conservation Easement Deduction has been around since 1976, there are still questions to this day about intricacies of land easements. Mclaughlin states that with more than three decades of experience, continued investment of billions of dollars of public funds, and an estimated 40 million acres encumbered, it is somewhat surprising that we still do not know what it actually means to protect land "in perpetuity" or "forever" with a conservation easement. She is concerned that the most fundamental of questions remain unresolved. McLaughlin asks these key questions in her paper, "Under what circumstances can perpetual conservation easements be modified or terminated? Who should have the authority to make such decisions and what standards should apply? How is the public interest and investment in these instruments and the conservation values they are supposed to preserve in perpetuity protected under federal and state law? And what deference should be accorded to the intent of easement grantors, many of whom agreed to make a charitable gift of an easement, often at great personal economic sacrifice, in part in exchange for the promise of permanent protection of their particular land?"

Critics of the Charitable Conservation Easement Deduction have raised questions about the distributional effects of conservation easements as well as their on-the-ground effectiveness. Although millions of acres are under easements, surprisingly little is known about their long-run impacts on land use in aggregate. McLaughlin goes on to ask more questions of the federal charitable easement deduction, "Do easements actually provide additional conservation? Or do they simply displace development and reward wealthy landowners for actions they would take regardless of whether the land is under easement? What benefits do easements convey to ordinary Americans, many of whom are surprised to learn that most easements do not allow for public access on conserved lands?" These questions are relevant to public policy because the public is invested in the success of conservation easements. Although many easements are donated to land trusts, the donation is in exchange for tax breaks that U.S. taxpayers implicitly fund through foregone tax revenue. Yet evaluating the public's return on easement investments is difficult because some of the activity is not transparent (McLaughlin 2013).

Pete Sepp, of The National Taxpayers Union (2018) thinks that critics in the policy community argue that easement deductions are growing "too rapidly". He believes that critics are arguing that the deductions are being claimed by the "wrong people," or are facilitating ecologically undesirable conservation projects.

Distribution of Donations by Adjusted Gross Income

There is a perception that the distribution of individuals claiming conservation easement donations is tilted towards the upper tier of income earners. In a PERC (Property and Environment Research Center) Policy Report (2019), Dominic Parker reported that the average easement donation was $475,416 over 2003-12, which dwarfs in value every other form of charitable giving on a per-donation basis, including art, real estate, and money. IRS summary data show that while two percent of easements came from taxpayers with annual incomes greater than $10 million, these donors accounted for 23 percent of the monetary value. Taxpayers with incomes exceeding $500,000, roughly the top one percent of the income distribution, accounted for only 17 percent of number of donations, yet 75 percent of monetary value. Approximately 63 percent of easement donations came from taxpayers earning less than $200,000 in 2012. These statistics indicate that wealthy donors lead in terms of deductible value, but also that the majority of donors have relatively modest incomes (Parker 2019).

Parker goes on to ask if wealthy donors dominate because they are more generous, or because they pay a lower donation "price"? He wants the main takeaway of his work to be that there is a gap in the donation price that increases with taxpayer income when holding donation size constant. Individuals with higher adjusted gross incomes effectively pay a lower after-tax "price" to donate a conservation easement than those with a lower AGI. There is a donation price gap in part because high-income donors pay higher marginal tax rates, and in part because land-rich but cash-poor donors have not been able to deduct the full value of their donation, especially prior to 2006. Parker goes on to state that the donation price gap grows further when accounting for savings from state income taxation, which can be large in states with high marginal tax rates and in states with generous tax credits for easement donors. The donation price gap also grows further when we consider potential tax savings from income earned on capital gains, property taxes, and inheritance taxes. He concludes that the donation price gap grows further still when wealthy landowners have better access to savvy tax advisors.

Issues in Conservation Easement Tax Benefits

Adam Looney commented in his 2017 report for the Brookings Institute, that the federal conservation easement tax deduction intended to encourage conservation of environmentally important land and historic buildings has become a lucrative way for real estate developers in expensive resort destinations to finance development projects. He believes that by utilizing this deduction on land that they never intended to use in there develop plans would deprive the government of billions of dollars of revenue and, in some cases, doing little to advance environmental protection.,

Sepp contends that such accusations are targeted at taxpayers who are already following strict guidelines to claim these deductions. He states that the structure of the easements has a host of regulatory requirements that must be met and the procedural issues, which is the amount of records that must be obtained and filed with the IRS are substantial for justifying the deductions. Sepp agrees that standards can and should be improved to ensure that "conservation purpose" is designed to weed out easements that are of little benefit to society. In that process, however, it is important to recognize that small parcels of land in highly-valued areas can indeed improve the local ecology.

The federal and state laws pertaining to charitable organizations and the assets such organizations and government entities hold for charitable purposes on behalf of the public also impact the creation and long-term administration of conservation easements. These laws are relevant because land trusts are charitable organizations and land trusts and government entities solicit and hold conservation easements for charitable purposes on behalf of the public. Mclaughlin believes that these laws address a fundamental question that is relevant to the charitable sector as a whole: given that charitable organizations and government entities serve as guardians on behalf of the public of charitable assets worth trillions of dollars, who guards the guardians? It is difficult to determine the extent to which conservation easements are being improperly modified or terminated because such activities are not transparent, the data currently gathered on the issue is of limited usefulness

Mclaughlin lists 36 relevant court cases to this debate handed down from 2006 through February 2013. In close to 40 percent of the 36 cases, the IRS attempted to disallow the deduction in its entirety based on the taxpayer's failure to properly validate the deduction. In over 30 percent of the 36 cases, valuation was an issue, and in each of those cases the courts determined that the taxpayer had overstated the value of the easement, often by a significant percentage. Over 40 percent of the cases involved interpretation of the provisions of subsection 170(h) of the Treasury Regulations which is the legal allowance of a deduction for any charitable contribution payment which is made within the taxable year. Two of the cases involved quid pro quo transactions, where the conveyance allegedly was not a deductible charitable gift because the conservation easement was conveyed in exchange for subdivision approval or some other form of compensation (McLaughlin 2013).

TNC contends according to literature on their website, that they actively support rigorous oversight that would tighten rules governing syndicated easements. TNC has long recognized the enormous conservation benefits that are realized when conservation easements are properly and effectively employed as they currently hold easements on 3.1 million acres of lands in 49 states. TNC is on record in the accountability section of their website that they are currently working alongside partners such as The Land Trust Alliance to strongly support the IRS's effort to control syndicated easements and to advocate for proposed changes to the tax code that would tighten the rules governing such easements. Syndicated easements which rely on abusive appraisals jeopardize the many conservation-minded landowners who wish to voluntarily protect their land through conservation easements. Longstanding TNC policies and standard operating procedures have prevented TNC's involvement in such abusive transactions (Land trust Alliance 2020).

The Land Trust Alliance advocates for the Charitable Conservation Easement Program Integrity Act. They state that not all donations of conservation easements are created equal. While the vast majority are truly charitable endeavors, a few bad actors are promoting conservation easement donations as a way for investors to make a fast profit by gaining access to very large federal tax deductions. These transactions are essentially tax shelters and cannot be allowed to continue (Land trust Alliance 2020).

V. Analysis of Charitable Conservation Contribution Tax Credit

This section of the evaluation study analyzes the data available to the Iowa Department of Revenue as it relates to charitable conservation contributions associated with CCC Tax Credit claims. This section is separated into three subsections: contribution data, which is comprised of self-reported data provided by the taxpayer and charitable organizations; claimant characteristics, which is comprised of demographic information available in tax return data; and finally claim data, which is comprised of data about the utilization of the tax credit. All dollar amounts in this chapter are reported in nominal terms with no adjustment for inflation.

A. Charitable Conservation Contribution Tax Credit Contributions

A real property contribution to a charitable organization is required for taxpayers to be eligible to claim the CCC Tax Credit. Based on information gathered from the federal Form 8283 it is possible to observe many key characteristics about the charitable conservation contributions. Federal Form 8283 is provided by CCC Tax Credit claimants with their Iowa tax return. Unfortunately, taxpayers did not include information about acres or land value for 136 contributions, nearly 43 percent of all contributions. Those contributions are often removed from the following analysis.

Taxpayers making CCC Tax Credit claims with complete contribution information available contributed over 14,000 acres of Iowa land, valued at over $31 million from 2008 through 2018 (see Table 2). For 2008, an average of 88 acres per contribution was reported, with an average land value of nearly $119,000, or $1,346 per acre. Tax year 2017 saw the highest value of contributions at nearly $6.9 million, with an average per acre value of nearly $7,000. Contributions completed in 2011 covered the largest area of land at nearly 3,500 acres, with an average of 262 acres per contribution.

Contributions to the INHF and TNC account for over 75 percent of the initial tax credit amounts earned during the eleven tax years (see Table 3). The contributions to these organizations account for over 12,000 acres of reported land contributed and nearly $26 million in land value. After the INHF and TNC, county conservation boards and other organizations received 19.0 percent of contributions. 4.3 percent of contributions did not disclose the organization used for the charitable conservation contribution.

As noted in Section II, there is a variety of methods by which a landowner can make a qualifying contribution. The most popular method of conservation contribution is a conservation easement which accounts for 25.0 percent of the number of contributions and 35.5 percent of the total CCC Tax Credits earned (see Table 4). Conservation donations are the second most used method of conservation contribution at 24.1 percent of contributions and 24.1 percent of total credits earned. Conservation donations totaled nearly 5,000 acres accounting for 34.0 percent of acres contributed, at a land value of $7.5 million. Bargain sales are the third most popular method of conservation contribution, at 19.8 percent of contributions and 16.4 percent of total credits earned. Bargain sales totaled over 3,300 acres of contributed land accounting for 23.0 percent of acres contributed, at a land value of $5.1 million.

The reported $5.1 million for bargain sales is an understatement of the full fair market value of the contributed land. Recall that the CCC Tax Credit is based on the difference between the fair market value and, when relevant, the agreed upon bargain sale price of the land. In one-third of the bargain sale cases, the full fair market value was available and is included in the total reported land value; the land value reported for the other two-thirds of the bargain sales is simply two times the initial earned tax credit.

Another area of interest with regard to CCC Tax Credit s and the corresponding contributions is where the contributed land is located. The county in which the land was contributed was identified for 53.6 percent of the initial earned CCC Tax Credits where the location of the land was disclosed. As reported by the taxpayers on their federal Form 8283, contributed land is identified in 52 Iowa counties (see Figure 1). Based on available data, two counties had over 1,000 acres contributed with Marion County, Winnebago County, and Mahaska County having the highest acres of contributed lands. Five counties had between 500 and 999 acres contributed, seventeen counties had between 150 and 499 acres of contributions, eleven counties had between 80 and 149 acres, and the remaining fourteen counties had 1 to 79 acres.

The areas of the state in which the contributed acres are located have geological or geographical significance. A heavy concentration of land contributions occurred in the Northeastern corner of Iowa that is referred to as the Blufflands (see Figure 1). The Neal Smith Prairie and Lake Red Rock area of South-Central Iowa is another area in the state where an abundance of land contributions is found. Numerous acres of contributed land were also identified in the Okoboji Lakes region in northwest Iowa, as well as, the Loess Hills region along the western border of the state.

B. Characteristics of Charitable Conservation Contribution Tax Credit Claimants

During tax years 2008 through 2018, 377 unique CCC Tax Credits were reported by individual income tax taxpayers on the IA 148 Tax Credits Schedule (see Table 5).[3] The IA 148 Tax Credit Schedule allows the Iowa Department of Revenue to track the specific tax credit type and the amount of tax credits claimed from the "Other Nonrefundable Iowa Credits" line on the IA 1040 Iowa Individual Income Tax return. The IA 148 also includes information on initial tax credits earned for the current tax year and the tax credits carried forward between tax years. In tax year 2008, the first year the tax credit could be claimed, 16 tax credits totaling $713,714 were earned by individual income taxpayers, with an average initial earned CCC Tax Credit of $44,607. With the high value of tax credits earned per contribution, many taxpayers are unable to fully apply those credits against tax liability in their first year of claim, resulting in carryforward for future tax years. The usage and carryforward of tax credits will be discussed later in this section, but first the analysis considers total tax credit amounts earned in the initial tax year of claim.

The highest number of initial earned CCC Tax Credit s was 96, reported in tax year (TY) 2017 (see Table 5). Between tax years 2008 and 2018, the average number of tax credits reported for new contributions was 34. Between TY 2008 and TY 2018, over $11.9 million in initial earned CCC Tax Credits were reported as available to be claimed. The total initial earned credit amounts grew each of the first three years, from about $714,000 in 2008, growing to $808,000 in 2009, and topping out at $1.5 million in CCC Tax Credits in 2010. The amount steadily declined the next four years before increasing again between TY 2015 and TY 2017. On average, the credit earned each year is just over $31,500.

Characteristics of CCC Tax Credit claimants were pulled from tax returns filed in the same year of the initial claim. The initial earned CCC Tax Credits were aggregated by household, so if a taxpayer and/or the taxpayer's spouse earned more than one tax credit within a tax year by making multiple eligible contributions, the household's initial earned tax credit equals the total of all initial earned tax credits. If a claimant used the filing status married filing separately on the same return, both spouses' adjusted gross incomes were summed to create a household adjusted gross income (AGI). This analysis considers claimants in TY 2008 through TY 2018 and compares them to all taxpayers in the most recent complete tax year available, 2018. Taxpayers who earn CCC Tax Credit s tend to have much higher AGI than other taxpayers (see Figure 2). Over 72 percent of households with CCC Tax Credits earned report AGI above $100,000 compared to less than 18 percent of all taxpayers in 2018 (see Table 6).

[3] Due to the limited number of corporation income tax taxpayers claiming the CCC Tax Credit, the remainder of this section excludes tax credits reported on corporation income tax returns to protect the confidentiality of taxpayer information.

Filing status is another characteristic by which CCC Tax Credit claimants can be analyzed. Over one-third of households with initial earned CCC Tax Credits are households in which a married couple files separately on a combined return (see Table 7). Those households account for 29.1 percent of the tax credit dollars initially earned and the average household tax credit of almost $23,900. The filing status with the highest average initial earned credit amount is married filing jointly. While married filing jointly households account for 40.1 percent of the number of tax credit initial claims, that same filing status accounts for 46.7 percent of the dollar amount of tax credits claimed, with an average initial claim of almost $37,000 per household. Compared to all taxpayers in 2018, donors are much more likely to be married filing jointly and less likely to be single. For all taxpayers in 2018, only 14.3 percent of taxpayers filed married joint and the most common filing status was single, at 46.5 percent.

Taxpayers who earn CCC Tax Credit s tend to be older than 55 years of age. Claimants of the CCC Tax Credit above 55 years of age account for over two-thirds of the number of tax credits earned which totaled $8.2 million (see Table 8). Claimants of the CCC Tax Credit above 65 years of age account for nearly 50 percent of the number of tax credits earned, totaling $8.2 million in credits. While older tax payers are much more likely to earn CCC tax credits, older taxpayers are more likely to have a limited tax liability.

Households that earned CCC Tax Credits were located in 53 different counties and outside of the State of Iowa. Of the 377 households who earned the CCC Tax Credit, 83.3 percent were Iowa residents and accounted for 85.7 percent of the total CCC Tax Credits earned (see Table 9). No matter the residency of the claimant, all claimants must have Iowa income in order to claim the credit due to the nonrefundable provision associated with the credit.

C. Charitable Conservation Contribution Tax Credit Claims

Because each contribution generally results in a large earned CCC Tax Credit, many of the nonrefundable CCC Tax Credits are not fully claimed in the year they are initially earned and are carried forward for multiple tax years. In the first eleven years, 1,160 unique CCC Tax Credit claims were made by taxpayers (see Table 10). Those claims totaled just over $6.2 million. Taxpayers are counted multiple times if they had initial claims in multiple years and are counted in each year in which they made a claim to a portion of their initial earned tax credit. Nearly $200,000 in CCC Tax Credits were claimed in the first tax year the credit was available and peaked at nearly $988,000 in 2012. Claims declined in 2013, down to $321,000, before increasing again to $650,000 in 2014. Since 2014, the highest amount of CCC Tax Credits claimed was in TY 2017 at $867,000.

As mentioned above, taxpayers do not always have enough tax liability to fully use the nonrefundable tax credits in the year that they are first earned. The CCC Tax Credits can be carried forward for 20 tax years before they expire. For example, any 2008 CCC Tax Credit award not claimed by the 2028 tax year will expire. Tracking claims identifies patterns that help forecast the fiscal impact of future earned tax credits. The amount of CCC Tax Credit carried forward increased each year between 2008 and 2011 before declining in 2012, but rebounded in 2013 and continuing to climb through 2018 (see Table 10).

For CCC Tax Credits initially earned in 2008, 27.7 percent were claimed in the first year and after ten tax years, only 20.0 percent remained to be claimed (see Table 11). The amount remaining after claims in the initial year of earning the CCC Tax Credit understandably increases from tax year to tax year. While 50.1 percent of the initial CCC Tax Credit amount earned in 2013 remained after six tax years, 85.2 percent of 2018 CCC Tax Credits have yet to be applied against claimants' income tax liability after just one tax year. Considering initial earned credits over all available tax years, the average percent of CCC Tax Credit amount claimed decreases each year from the first year until the tenth year. The average share of initial earned CCC Tax Credit amount remaining unclaimed after the first year is 79.5 percent, falling to 64.9 percent in the second year, down to 40.7 percent in the fifth year, and down to 21.6 percent in the tenth year. It seems likely that the remaining 21.6 percent of CCC Tax Credits may be fully claimed within the available carryforward period.

VI. Analysis of Iowa Charitable Conservation Contribution Tax Credit

A. Utilization of CCC Tax Credit

A tax credit should result in more of the activity that it subsidizes. Therefore, a key question surrounding the CCC Tax Credit is whether it has increased the number and value of charitable conservation contributions in Iowa. One way to attempt to measure this is to compare the number and value of contributions within Iowa before the CCC Tax Credit was available in 2008 to the number and value of contributions after. Although data are available for all contributions for which the CCC Tax Credit was claimed, with many organizations participating in these transactions it is unknown how many contributions were made statewide prior to the tax credit or after the tax credit for which the tax credit was not claimed. Fortunately, the Iowa Natural Heritage Foundation (INHF) and the Nature Conservancy (TNC) provided annual contribution counts and total donation values from 1999 through 2018.[4] As seen in Table 3, these two organizations dominate the contributions for which CCC Tax Credits have been claimed. Therefore, it is reasonable to attempt to answer this question relying on data from the two organizations.

Upon reviewing the contribution data from the INHF and TNC, it appears that annual counts and the amount of contributions are less sporadic following the introduction of the CCC Tax Credit in 2008. Prior to the introduction of the CCC Tax Credit, there was an average of 16 contributions per year with annual contributions varying from as low as 8 contributions to as high as 37 (see Table 12). After the introduction of the tax credit, average contributions per year increased to 25 with annual contributions varying from as low as 10 contributions to as high as 40. As noted in the discussion of the federal incentives in Section III, increases in the generosity of the federal deduction allowed for this type of contribution occurred two years before the CCC Tax Credit was enacted. The average contributions per year have increased to 24 since the federal changes compared

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[4] Thank you to Anita O'Gara for compiling the INHF Annual Contribution Data and Graham McGaffin for compiling the TNC Annual Contribution Data for this study.

to 14 contributions prior. Therefore, it is not possible to attribute the increase in contributions as having been caused by the introduction of the CCC Tax Credit alone.

The number of contributions with CCC Tax Credits claimed is considerably fewer than the number of charitable conservation contributions to the INHF and TNC in 2008 and later (see Table 13). Over the eleven available years, of the 270 total contributions reported by the INHF and TNC, only 95 contribution projects, or 35 percent, used the CCC Tax Credit[5]. This low utilization rate raises the question; would some of the contributions resulting in a CCC Tax Credit have occurred even in the absence of the 50 percent tax credit?

Underutilization of the CCC Tax Credit could reflect any number of reasons including unfamiliarity with the tax credit, lack of Iowa income, lack of tax liability, the non-refundable nature of the credit, as well as the restriction against transferability. Due to the nonrefundable nature of the credit, the CCC Tax Credit is not beneficial to nonresidents or elderly residents with little to no Iowa tax liability. However, INHF staff suggested that the tax credit does encourage some taxpayers to make contributions at a time that they might otherwise have been unable or unwilling to do so. In particular, donors are incentivized to make contributions at a younger age while they have Iowa tax liability to offset with the nonrefundable CCC Tax Credit.

B. State Costs and Social Benefits under the CCC Tax Credit

Charitable conservation contributions that qualify for the CCC Tax Credit result in costs to the State General Fund that, hopefully, are less than the resulting social benefits. Based on information gathered from the federal Form 8283, the value of the land contributed under the CCC Tax Credit can be estimated. Land values considered in this section vary from those discussed in Section V. Only the subset of claims with complete contribution information including acres donated, location of land, and land value are analyzed here, whereas in Table 2 estimated land values for tax credit claims with incomplete information were included. Summing the fair market land values, when available, and dividing by the total number of acres donated results in an average value of $2,300 per acre for those contributions with acreage information (see Table 13).[6] That per acre land value is one potential measure of the social benefits of the CCC Tax Credit.

The environmental benefits that may result from the charitable conservation contributions should also be considered, but are difficult to measure. The INHF and TNC point out that conservation efforts resulting from some of the contributions for which the CCC Tax Credit was claimed do increase permanent wildlife habitat including public lands that provide community attractions and recreation. and Contributions also reduce the amount of

[5] There is a considerable number of credits that have incomplete available data for observation that could also be donations to INHF and TNC.

[6] Recall that two-thirds of the bargain sale contribution land values analyzed in this study are considered to be undervalued because available data includes only the tax credit amount which is the difference between the fair market value and the bargain sale price. The ideal measure would be the full fair market value.

siltation, nitrates, and phosphorus in the water ways and reduce the amount of government costs to treat or restore affected waterways.

The previous benefits measure can be compared to the estimated cost to the State of Iowa General Fund for these same contributions. That cost includes reduced tax revenues resulting from claims to the CCC Tax Credit. In addition, for any land value above the $200,000 tax credit threshold, the cost to the State General Fund includes an estimated income tax reduction resulting from the additional charitable contribution itemized deduction.

As discussed in Section V, less than one-quarter of CCC Tax Credits are claimed in the year in which they are initially earned but, on average, over 60 percent have been claimed within the first six years of the 20-year carryforward period, while increasing to 78.4 percent after 10 years of the carryforward period. Based on that claim data, taxpayers may be able to use the remaining 21.6 percent of earned tax credit during the 20-year carryforward period, as long as they are able to maintain a positive tax liability. So, for the purposes of this analysis, the measure of the cost of the CCC Tax Credit to the State General Fund is going to present three alternative analysis assumptions: the first is to equal the full amount of the initial earned tax credit, the second is for a 90 percent realization of the full amount of the initial earned tax credit, and the final as an 80 percent realization of the full amount of the initial earned tax credit. To simplify the analysis, the credit amounts expected to be claimed in years after the contribution were not discounted for the time value of money which avoids extensive assumptions about the timing of future credit claims as well as timing of itemized deductions.

For the 36.0 percent of CCC Tax Credits where the contributions exceeded $200,000, several assumptions are necessary to estimate the full cost to the State General Fund.[7] In general, the Iowa tax code conforms with the federal tax code, so the limitation that the itemized deduction for charitable conservation contributions cannot exceed 50 percent of AGI would also apply. It is assumed that none of the deductions are subject to the limit, or taxpayers will be able to fully use any excess deductions within the available 15-year carryforward period, which result in the same measure without the complication of discounting. Second, the tax benefit from a deduction differs based on the applicable marginal tax rate, so it is necessary to assume a marginal tax rate that the taxpayers faced when claiming itemized deductions. To simplify the analysis, the cost to the General Fund of the resulting itemized deductions was assumed to equal the contribution amount above the $200,000 tax credit threshold times 8.98 percent, which was the highest Iowa marginal tax rate for tax years 1998 through 2018.[8]

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[7] The share of contributions that exceeds the CCC Tax Credit threshold is higher in this analysis than presented in Table 2. This reflects a higher proportion of large donations that exceed the threshold having more complete information than claims below the threshold.

[8] With federal deductibility in Iowa, the deduction at the federal level would raise Iowa taxable income, reducing some of the State cost of the contribution. For simplicity, that impact was ignored in the measurement of State costs.

The sum of initial CCC Tax Credits earned and the estimated cost of additional itemized deductions in the tax year of the contribution was divided by the number of donated acres to calculate an estimated per acre cost to the State General Fund. The result was $469 per acre, or approximately 20 percent of the per acre land value of the land contributed. This falls below the full 50 percent of the appraised fair market value of the land contributions claimed under the CCC Tax Credit in part because of the aforementioned 36.0 percent of contributions that exceeded the $200,000 tax credit threshold, and in part because the CCC Tax Credit, in the case of bargain sales, is only available for the difference between the appraised fair market value and the bargain sale price. This suggests that the State General Fund will be reduced by an estimated $7.2 million (fully realized earned credit amount), $6.5 million (90% realized earned credit amount), or $5.7 million (80% realized earned credit amount) in return for contributions made through tax year 2018 with a market value of at least $35.0 million. However, these measures of the impact on the State General Fund considers the impact of all related tax incentives. Another impact of interest is only the marginal cost of the CCC Tax Credit.

To measure the marginal cost of the CCC Tax Credit to the State General Fund, the reduced revenues resulting from claims must be compared to alternate tax incentives that would be available if the CCC Tax Credit did not exist. This was accomplished by measuring the difference between the charitable itemized deductions which would have been claimed in lieu of the CCC Tax Credit and the amount of CCC Tax Credits earned in those same years. Only itemized deductions on the first $200,000 of land value that is eligible for the CCC Tax Credit were considered. Again, it was assumed that the Iowa itemized deductions would be fully available to the taxpayer over time, despite the 50 percent AGI and 15-year carryforward limits.

The charitable contributions claimed as itemized deductions were estimated to total $2.6 million over tax years 2008 through 2018[9] if all of the same land contributions for which the CCC Tax Credit was claimed would have been made during those years (see Table 15). Alternatively, CCC Tax Credits totaled $5.9 million (fully realized earned credit amount), $5.3 million (90% realized earned credit amount), or $4.7 million (80% realized earned credit amount) across those same tax years for contributions that had full reportable data.[10] Therefore, the introduction of the CCC Tax Credit reduced revenues to the State General Fund by an estimated $3.3 million (fully realized earned credit amount), $2.7 million (90% realized earned credit amount), or $2.2 million (80% realized earned credit amount); or $388 (fully realized earned credit amount), $349 (90% realized earned credit amount), or $310 (80% realized earned credit amount) per reported acre with reported land value. This analysis suggests that the introduction of the CCC Tax Credit presents a cost to the State General Fund of between approximately one-eighth and one-sixth of the valuation of contributed land. Therefore, if only $3.3 million of the value of

[9] Tax years 2014 and 2015 had too few cases to report

[10] Recall that this amount falls below the initial earned CCC Tax Credits presented in Table 5 because it only includes those contributions with acreage and land value information.

charitable conservation contributions for which the CCC Tax Credits were claimed were induced by the tax credit's incentives, then the tax credit would break even for the state. This suggests that the CCC Tax Credit is a cost-effective way to help conserve Iowa land.

VII. Conclusion

This evaluation study provides an overview and analysis of the Iowa CCC Tax Credit. The goal of the CCC Tax Credit is to encourage land owners to make charitable conservation contributions in order to improve and protect Iowa's natural ecosystems. Taxpayers earn the 50 percent CCC Tax Credit by establishing restrictions on the use of land with a private charitable conservation organization or government agency which receives the contribution by means of a bargain sale, easement, or donation

In tax years 2008 through 2018, a total of $11.9 million of CCC Tax Credits were earned, with an average of 34 new tax credits averaging $1.1 million per year. However, due to the nonrefundable nature of the credit, on average, less than $500,000 in CCC Tax Credits have been applied against tax liability per tax year for the first six years of the program, with claims totaling just over $6.2 million. Charitable conservation contributions claimed under the CCC Tax Credit cover over 15,000 acres in Iowa and have been reported in 50 Iowa counties.

Since the introduction of the tax credit, average contributions to the two most utilized conservation organizations increased from 16 to 25 per year. The average value of land contributed per year was approximately $3.3 million prior to the introduction of the CCC Tax Credit and decreased slightly to $3.2 million after the introduction of the tax credit. However, with the expansion of the federal deduction effective only two years earlier, it is not possible to assign causation of the decreased amount of contributions and land value to the introduction of the Iowa CCC Tax Credit. The land value donated remains similar to that before the credit, but the number of contributions increased. This suggests that the economic land value may be as much a factor in the donation of the land as much ecological value of the land for the donation.

Estimates of the marginal cost of the CCC Tax Credit to the State General Fund compared to the estimated value of land contributed under the tax credit suggest it is a cost-effective measure to promote conservation of Iowa's natural ecosystem. The credit is a benefit for donors to make their contributions earlier in their life than they otherwise would have, and a motivation for donors that were unsure about making a charitable conservation contribution.

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Iowa’s Charitable Conservation Contribution Tax Credit

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Tables and Figures

Table 1. States with Tax Credits for Charitable Contributions for Conservation Purposes

Government	Tax Credit Name	Eligible Contributions	Tax Type	Tax Credit Rate	Tax Credit Cap	Transfer	Refundable	Carry Forward	Dates Applicable
Arkansas	Wetland and Riparian Zones Tax Credit	Donation of conservation easements in wetland and riparian zones	Income Tax	50 percent of the easement's appraised value, up to $50,000	$50,000 per taxpayer	No	No	Unused credits may be carried forward 9 years.	January 1, 1996
California	Natural Heritage Preservation Tax Credit	Donation of land, an easement, or water rights	Income Tax	55 percent of the fair market value of the donated property	No Cap	No	No	Unused credits may be carried forward 8 years.	January 1, 2010 until June 30, 2015
Colorado	Gross Conservation Easement Credit	Donation made to a governmental entity or a charitable organization that was created at least two years prior to receipt of the easement	Income Tax	50 percent of the easement's appraised value	$375,000 total per taxpayer	Yes	No	Unused credits may be carried forward 20 years	January 1, 2000
Connecticut	Connecticut Donation of Land Tax Credit	Donations of conservation land or easements	Income Tax	50 percent of the fair market value of the donated property	No Cap	No	No	Unused credits may be carried forward 10 years	January 1, 2013
Delaware	Delaware Conservation Easement Tax Credit	Donations of conservation land or easements	Income Tax	40 percent of the easement's appraised value, up to $50,000	Statewide $1 million per year	No	No	Unused credits may be carried forward 5 years	January 1, 2001
Georgia	Georgia Conservation Tax Credit	Donation of fee-title lands or permanent conservation easements to a government entity or qualified organization	Income Tax	25 percent of the fair market appraised value, up to $250,000 for individual donors and $500,000 for corporate and partnership donors.	Statewide $30 million per year	Yes	No	Unused credits may be carried forward 10 years	January 1, 2008
Iowa	Charitable Conservation Contribution Tax Credit	Donations of conservation land or easements	Income Tax	25 percent of the fair market appraised value, up to $250,000 for individual donors and $500,000 for corporate and partnership donors.	Statewide $30 million per year	No	No	Unused credits may be carried forward 10 years	January 1, 2008
Maryland	Preservation and Conservation Easement Credit	Donations of conservation easements	Income Tax	The credit is equal to the difference in the fair market values of the property reduced by payments received for the easement. The credit amount is limited to the lesser of the individual's state tax liability for that year of the maximum allowable credit of $5,000, per owner, who qualifies to claim the credit.	$80,000 per taxpayer	No	No	Unused credits may be carried forward 15 years	January 1, 2001

Table 1 continued. States with Tax Credits for Charitable Contributions for Conservation Purposes

Government	Tax Credit Name	Eligible Investments	Tax Type	Tax Credit Rate	Tax Credit Cap	Transfer	Refundable	Carry Forward	Dates Applicable
Massachusetts	Conservation Land Tax Credit	Donation of conservation easements in wetland and riparian zones	Income Tax	50 percent of the fair market appraised value, up to $50,000	Statewide $2 million per year	No	No	Unused credits may be carried forward 10 years	January 1, 2011
Mississippi		Donations of land or interest in land considered a priority site by the Mississippi Natural Heritage Program or lands along or adjacent to streams listed on the Mississippi Scenic Streams Stewardship Program	Income Tax	50 percent of the allowable transaction costs, not to exceed $10,000	$10,000 per taxpayer		No	unused credit may be carried forward for to succeeding tax years	
New Mexico	Land Conservation Incentives Act	Preservation of relatively natural habitat, open space, agricultural lands, outdoor recreation or education for the benefit of the general public, and/or historically important structures or land areas	Income Tax	50 percent of the fair market appraised value, up to $250,000	$250,000 per taxpayer	Yes	No	Unused credits may be carried forward 20 years	January 1, 2004
New York	The New York Conservation Easement Tax Credit	Donations of conservation land or easements	Income Tax	25 percent of the property tax paid on the easement property, up to $5,000.	$5,000 per taxpayer	No	No	Not Applicable	January 1, 2007
South Carolina	South Carolina Conservation Easement Tax Credit	Donations of conservation land or easements	Income Tax	25 percent of the fair market appraised value, up to $52,500 and $250 per acre	$52,500 per taxpayer	No	No	Unused credits may be carried forward indefinitely until the full credit is claimed	January 1, 2001
Virginia	Land Preservation Tax Credit	Donations of conservation land or easements	Income Tax	40 percent of the easement's fair market value, up to $50,000 per year	$50,000 per taxpayer	Yes	No	Unused credits may be carried forward 10 years	January 1, 2000

Note: The information in Table 1 was obtained from relevant public agencies in the respective states.

Table 2. Charitable Conservation Contribution Tax Credit Contributions by Tax Year

Tax Year	Number of Contributions	Acres		Contribution Value		Value per Acre
		Sum	Average	Sum	Average	
2008	9	796	88	$1,071,428	$119,048	$1,346
2009	14	1,377	98	$3,013,529	$215,252	$2,189
2010	17	1,735	102	$4,885,853	$287,403	$2,816
2011	13	3,407	262	$4,291,000	$330,077	$1,259
2012	8	1,005	126	$1,320,614	$165,077	$1,314
2013	8	781	98	$1,761,030	$220,129	$2,254
2014-2015*	12	1,395	116	$2,056,495	$171,375	$1,475
2016	14	2,121	152	$4,075,277	$254,705	$1,921
2017	15	1,013	68	$6,884,381	$491,742	$6,793
2018	6	862	144	$1,676,400	$239,486	$1,946
Total	116	14,493	125	$31,036,007	$267,551.79	$2,331

Sources: Iowa Department of Revenue federal Form 8283 data; INHF & TNC Annual Gift Data
Note: TY 2014 and 1015 are combined due to low reportable data for TY 2014

Table 3. Charitable Conservation Contribution Tax Credit Contributions by Charitable Organization

Organization Receiving Contribution	Distribution of Number of Contributions	Distribution of Total Credit Dollars	Number of Acres Contributed	Distribution of Acres Contributed	Total Value of Contributions	Value of Contribution per Acre
Iowa Natural Heritage Foundation / The Nature Conservancy	76.7%	83.1%	12,239	4.9%	$25,802,196	$2,108
County Conservation Boards / Others	19.0%	13.6%	1,537	10.6%	$4,210,073	$2,739
Undisclosed	4.3%	3.3%	717	84.4%	$1,023,738	$1,428

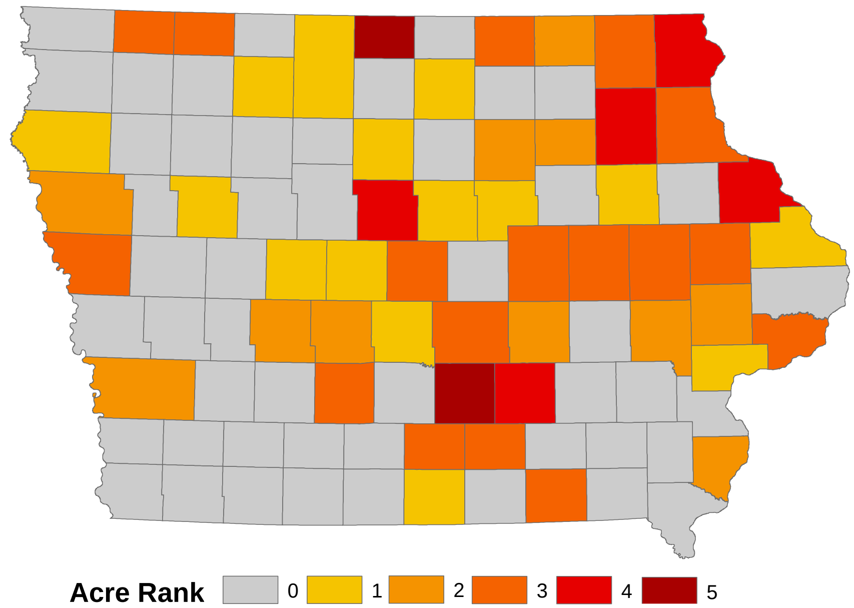
Sources: Iowa Department of Revenue federal Form 8283 data; INHF & TNC Annual Gift Data

Table 4. Charitable Conservation Contribution Tax Credit Contributions by Type of Contribution

Type of Contribution	Distribution of Number of Contributions	Distribution of Total Credit Dollars	Number of Acres Contributed	Distribution of Acres Contributed	Total Value of Contributions	Value of Contribution per Acre
Bargain Sale	19.8%	16.4%	3,337	23.0%	$5,083,422	$1,523
Conservation Donation	24.1%	24.1%	4,934	34.0%	$7,491,345	$1,518
Conservation Easement	25.0%	35.5%	2,875	19.8%	$11,020,129	$3,833
Easement Bargain Sale	5.0%	0.7%	257	1.8%	$223,640	$870
Undisclosed	26.7%	35.8%	3,089	21.3%	$7,217,471	$2,336

Sources: Iowa Department of Revenue federal Form 8283 data; INHF & TNC Annual Gift Data

Figure 1. Charitable Conservation Contribution Tax Credit Contributed Land by Map of Iowa with County Location of Contributions, Tax Years 2008-2018



Acre Ranks are as follows: 0=0 acres reported,

1=1-79 acres reported,

2=80-149 acres,

3=150-499 acres,

4=500-1,000 acres,

5=1,000 or more acres reported.

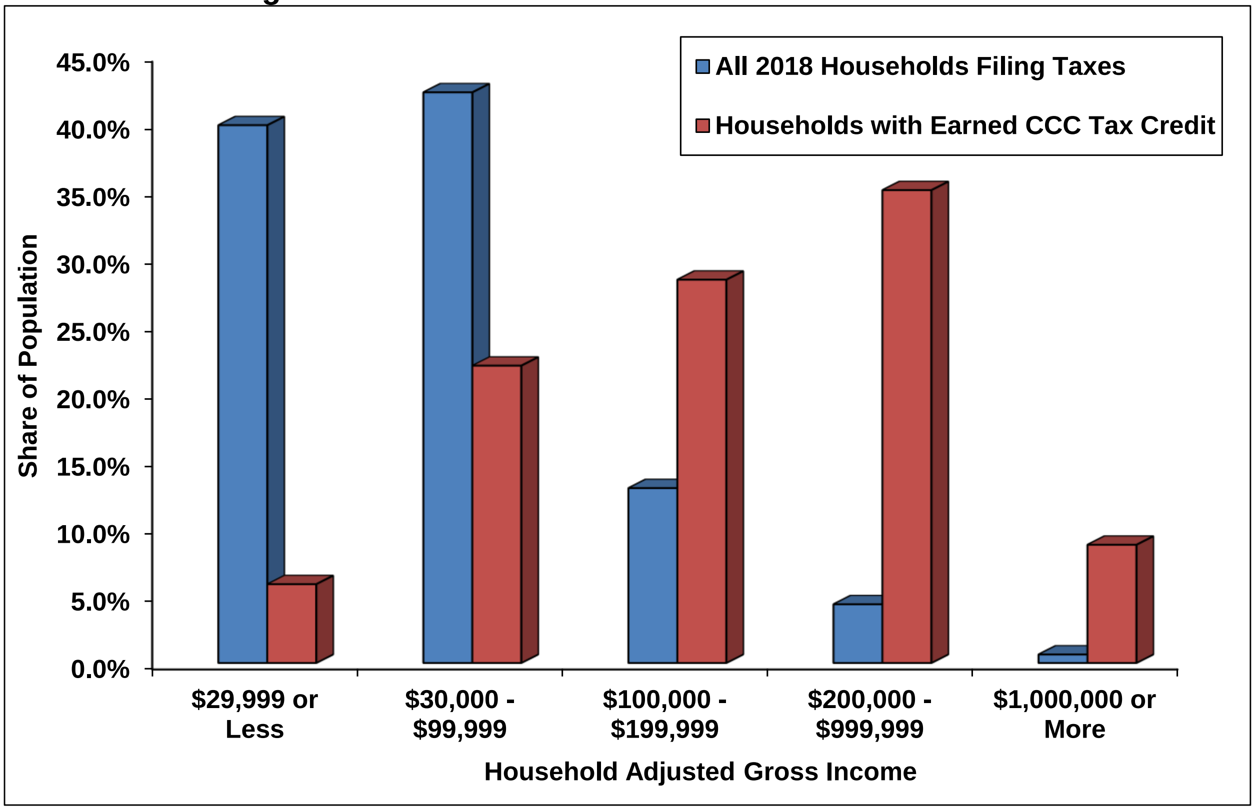
Sources: Iowa Department of Revenue federal Form 8283 data; INHF & TNC Annual Gift Data

Table 5. Initial Earned Charitable Conservation Contribution Tax Credits by Tax Year, Tax Years 2008-2018

Tax Year	Number of Initial Tax Credits Earned	Amount of Tax Credits Earned	Average Tax Credit Amount Earned
2008	16	$713,714	$44,607
2009	31	$802,027	$25,872
2010	48	$1,477,630	$30,784
2011	21	$1,379,152	$65,674
2012	22	$1,031,542	$46,888
2013	26	$949,871	$36,534
2014	21	$673,884	$32,090
2015	14	$783,200	$55,943
2016	45	$1,362,133	$30,270
2017	96	$1,568,070	$16,334
2018	37	$1,165,793	$31,508
Total	377	$11,907,016	$31,584
Average	34	$1,082,456	

Source: Iowa Department of Revenue IA 148 Tax Credits Schedule
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2018.

Figure 2. Distribution of Household Adjusted Gross Income for Households with CCC Credit Claimed for Tax Years 2008-2018 Compared to All TY 2018 Households Filing Taxes



Sources: Iowa Department of Revenue IA 148 Tax Credits Schedule, IA 1040 Income Tax Returns

Table 6. Initial Earned Charitable Conservation Contribution Tax Credit Claimants by Household Adjusted Gross Income, Tax Years 2008-2018 with Comparison to All TY 2018 Household Taxpayers

AGI Range	Number of Tax Credits Earned	Distribution of the Number of Tax Credits Earned	Total Amount of Tax Credits Earned	Distribution of Amount of Tax Credits Earned	Average Amount of Tax Credit Earned	Number of All TY 2018 Taxpayers	Distribution of All TY 2018 Taxpayers
$29,999 or Less	22	5.8%	$690,432	5.7%	$31,383	642,380	39.8%
$30,000 - $99,999	83	22.0%	$1,810,007	14.9%	$21,807	681,665	42.3%
$100,000 - $199,999	107	28.4%	$3,374,354	27.8%	$31,536	208,881	12.9%
$200,000 - $999,999	132	35.0%	$4,174,389	34.4%	$31,624	70,136	4.3%
$1,000,000 or More	33	8.8%	$1,857,834	15.3%	$56,298	10,122	0.6%
Total	377	100%	$11,907,016	98%	$31,584	1,613,184	100%

Sources: Iowa Department of Revenue IA 148 Tax Credits Schedule, IA 1040 Income Tax Returns
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2018.

Table 7. Initial Earned Charitable Conservation Contribution Tax Credit Claimants by Filing Status, Tax Years 2008-2018 with Comparison to All TY 2018 Household Taxpayers

Filing Status	Number of Tax Credits Earned	Distribution of the Number of Tax Credits Earned	Total Amount of Tax Credits Earned	Distribution of Amount of Tax Credits Earned	Average Amount of Tax Credit Earned	Number of All TY 2018 Taxpayers	Distribution of All TY 2018 Taxpayers
Single	75	19.9%	$2,705,960	22.7%	$36,079	739,046	46.5%
Married Filing Joint	151	40.1%	$5,565,388	46.7%	$36,857	226,975	14.3%
Married Filing Seperately	145	38.5%	$3,463,766	29.1%	$23,888	461,439	29.1%
Head of Household	6	1.6%	$171,902	1.4%	$28,650	160,805	10.1%
Total	377	100%	$11,907,016	100%	$31,584	1,588,265	100.0%

Sources: Iowa Department of Revenue IA 148 Tax Credits Schedule, IA 1040 Income Tax Returns
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2018.

Table 8. Initial Earned Charitable Conservation Contribution Tax Credit Claimants by Age, Tax Years 2008-2018

Age of Claimant	Number of Tax Credits Earned	Distribution of the Number of Tax Credits Earned	Total Amount of Tax Credits Earned	Distribution of Amount of Tax Credits Earned	Average Amount of Tax Credit Earned
45 or younger	47	12.5%	$1,043,701	8.8%	$22,206
46-55	58	15.4%	$2,206,642	18.5%	$38,046
56-65	85	22.5%	$2,761,145	23.2%	$32,484
66-75	101	26.8%	$3,146,584	26.4%	$31,154
76 or older	69	18.3%	$2,329,720	19.6%	$33,764
Unknown	17	4.5%	$419,224	3.5%	$24,660
Total	377	100%	$11,907,016	100%	$31,584

Sources: Iowa Department of Revenue IA 148 Tax Credits Schedule, IA 1040 Income Tax Returns
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2018.

Table 9. Initial Earned Charitable Conservation Contribution Tax Credit Claimants by Residency Status, Tax Years 2008-2018

Residency Status	Number of Tax Credits Earned	Distribution of the Number of Tax Credits Earned	Total Amount of Tax Credits Earned	Distribution of Amount of Tax Credits Earned	Average Amount of Tax Credit Earned
Out of State	67	16.7%	$1,341,563	14.3%	$20,023
In State	310	83.3%	$10,565,453	85.7%	$34,082
Total	377	100%	$11,907,016	100%	$31,584

Sources: Iowa Department of Revenue IA 148 Tax Credits Schedule, IA 1040 Income Tax Returns
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2018.

Table 10. Charitable Conservation Contribution Tax Credit Available and Applied Claims by Tax Year, Tax Years 2008-2018

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Year	Amount of Initial Tax Credits	Amount of Tax Credits Available for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Tax Credits Carried Forward to Next Tax Year
2008	16	$0	$713,714	$713,714	$197,468	$516,246
2009	44	$516,246	$802,027	$1,318,273	$430,993	$887,280
2010	74	$873,578	$1,477,630	$2,351,208	$355,975	$1,995,233
2011	79	$1,944,564	$1,379,152	$3,323,716	$630,844	$2,692,872
2012	94	$2,645,239	$1,031,542	$3,676,781	$987,956	$2,688,825
2013	88	$2,353,459	$949,871	$3,303,330	$321,017	$2,982,313
2014	104	$3,012,348	$673,884	$3,686,232	$650,227	$3,036,005
2015	104	$3,019,147	$783,200	$3,802,347	$440,203	$3,362,144
2016	140	$3,485,290	$1,362,133	$4,847,423	$652,615	$4,194,809
2017	217	$3,732,434	$1,568,120	$5,300,554	$867,238	$4,433,316
2018	200	$4,226,391	$1,165,793	$5,392,184	$716,044	$4,676,140
Total	1,160		$11,907,066		$6,250,580	

Sources: Iowa Department of Revenue IA 148 Tax Credits Schedule
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2018.

Table 11. Timing of Charitable Conservation Contribution Tax Credit Claims

Year of Initial Tax Credit Claim Credit Earned	Total Amount of Tax Credits Earned	Percent Remaining After First Year	Percent Remaining After Second Year	Percent Remaining After Third Year	Percent Remaining After Fourth Year	Percent Remaining After Fifth Year	Percent Remaining After Sixth Year	Percent Remaining After Seventh Year	Percent Remaining After Eighth Year	Percent Remaining After Ninth Year	Percent Remaining After Tenth Year	Amount Remaining
2008	$713,714	72.3%	41.6%	36.7%	34.9%	30.7%	27.2%	25.3%	24.0%	22.4%	20.0%	20.0%
2009	$802,027	73.6%	67.1%	50.7%	34.7%	32.5%	29.4%	27.3%	25.3%	24.1%	23.3%	23.3%
2010	$1,477,630	84.2%	74.4%	54.6%	50.6%	46.4%	44.2%	41.4%	38.6%	37.1%		37.1%
2011	$1,379,152	72.6%	55.3%	50.7%	44.3%	39.4%	35.5%	32.6%	30.6%			30.6%
2012	$1,031,542	71.2%	67.4%	45.6%	41.0%	36.3%	33.0%	31.6%				31.6%
2013	$949,871	87.8%	74.9%	69.5%	64.3%	59.9%	50.1%					50.1%
2014	$673,884	82.7%	66.8%	54.0%	46.7%	39.9%						39.9%
2015	$783,200	86.4%	75.4%	67.4%	63.6%							63.6%
2016	$1,362,133	80.9%	65.1%	57.7%								57.7%
2017	$1,568,120	77.2%	61.1%									61.1%
2018	$1,165,793	85.2%										85.2%
Average	$11,907,066	79.5%	64.9%	54.1%	47.5%	40.7%	36.6%	31.6%	29.6%	27.8%	21.6%	

Sources: Iowa Department of Revenue IA 148 Tax Credits Schedule
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2018.

Table 12. Iowa Natural Heritage Foundation and the Nature Conservancy of Iowa Contribution History and Charitable Conservation Contribution Tax Credit Utilization, Tax Years 1999-2018

Tax Year	INHF & TNC Contribution Projects Reported	Tax Year	INHF & TNC Contribution Projects Reported
1999	14	2008	19
2000	12	2009	37
2001	8	2010	34
2002	8	2011	23
2003	11	2012	19
2004	30	2013	16
2005	16	2014	18
2006	10	2015	10
2007	37	2016	36
		2017	40
		2018	18
Average 1999-2005	14	Average 2008-2018	25
Average 1999-2007	16	Average 2014-2018	24

Sources: Available Iowa Department of Revenue 8283 Form Data; INHF & TNC Annual Gift Data

Table 13. Iowa Natural Heritage Foundation and the Nature Conservancy of Iowa Contribution History and Charitable Conservation Contribution Tax Credit Utilization, Tax Years 2008-2018

Tax Year	INHF Contribution Projects Reported	Contribution Projects Claiming CCC Tax Credits
2008	19	7
2009	37	12
2010	34	12
2011	23	13
2012	19	8
2013	16	4
2014	18	3
2015	10	6
2016	36	13
2017	40	11
2018	18	6
Total	270	95

Sources: Iowa Department of Revenue 8283 Form Data; INHF & TNC Annual Gift Data

Table 14. Estimated Cost to the State of Iowa per Acre Contributed for Charitable Conservation Contribution Tax Credits and the Charitable Deductions for Contributions Above $200,000, Tax Years 2008-2018

Tax Year	Acres Reported	Land Value	CCC Tax Credit + Charitable Contribution Deduction	Land Value per Acre	State Tax Expenditure per Acre
2008	561	$1,084,912	$365,017	$1,934	$651
2009	1,302	$2,513,529	$497,160	$1,931	$382
2010	1,930	$5,497,499	$1,381,827	$2,848	$716
2011	3,553	$4,434,000	$1,149,393	$1,248	$323
2012	1,085	$1,571,114	$400,743	$1,448	$369
2013	781	$1,761,030	$409,616	$2,254	$524
2014	339	$255,900	$127,950	$755	$377
2015	559	$911,000	$393,000	$1,629	$703
2016	2,874	$5,959,402	$1,087,457	$2,074	$378
2017	862	$6,713,387	$818,936	$7,792	$951
2018	1,463	$4,342,900	$555,979	$2,969	$380
Total	15,309	$35,044,673	$7,187,077	$2,289	$469

Sources: Iowa Department of Revenue 8283 Form Data; INHF & TNC Annual Gift Data

Table 15. Estimated Cost to the State of Iowa per Acre Contributed to Charitable Conservation Contribution Tax Credits Against the Utilization of Only the Charitable Deduction, Tax Years 2008-2018

Tax Year	Charitable Contribution Deduction	CCC Tax Credit Claims	CCC Tax Credit Claims - Deductions	Land Value per Acre	CCC Tax Credit Expenditure per Acre
2008	$97,425	$361,964	$264,539	$1,934	$472
2009	$225,715	$396,683	$170,968	$1,931	$131
2010	$493,675	$1,170,707	$677,032	$2,848	$351
2011	$398,173	$953,000	$554,827	$1,248	$156
2012	$141,086	$437,333	$296,247	$1,448	$273
2013	$158,140	$370,777	$212,637	$2,254	$272
2014	*	$127,950	$127,950	$755	$377
2015	*	$393,000	$393,000	$1,629	$703
2016	$341,232	$854,902	$513,670	$2,074	$217
2017	$451,241	$511,409	$60,168	$7,792	$237
2018	$287,989	$359,711	$71,722	$2,969	$112
Total	$2,594,677	$5,937,436	$3,342,759	$2,289	$388

Sources: Iowa Department of Revenue 8283 Form Data; INHF & TNC Annual Gift Data
* Note: Tax years 2014 and 2015 had too few cases to report

Appendix

Sources for Table 1.

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