



## Save Money on Taxes and Protect Open Space: Conservation Income Tax Credits

You can save thousands of dollars on your state income tax bill by participating in the state of New Mexico's unique conservation income tax credit program and help preserve New Mexico's natural treasures. Landowners who permanently preserve their land for agriculture, scenic views or wildlife habitat can generate state income tax credits that can then be sold at a discount to taxpayers. This is relevant for you if you have a state of New Mexico income tax liability of at least \$10,000.

Conservation income tax credits can be purchased at a discount, often at a savings of 11% to 15% depending on how early you purchase the tax credits and the quantity you purchase. For example, if you have a \$100,000 state income tax liability, you can purchase \$100,000 worth of tax credits for \$85,000 - \$89,000, thereby saving \$11,000 - \$15,000. You buy the credits directly from the person who donated either land or a conservation easement so you are helping to promote the preservation of valuable wildlife habitat, scenic vistas, farms and ranches in New Mexico.

A qualified intermediary will match you up with a conservation donor and will review all of the necessary documentation to support the creation of the conservation tax credit. That includes reviewing the deed of conservation easement, title commitment, appraisal, mineral report, baseline inventory, the state approval letters, state certificates, IRS forms and other documents that may be necessary depending on the conservation donation. As a qualified intermediary, Tax Credit Connection, Inc. also prepares the transfer documents between you and the seller of the credit and the forms you will need to file with your state income tax return. Part of the service Tax Credit Connection, Inc. provides is to determine if there are any obvious problems with the tax credits and either to work with the appropriate professionals to remedy the problems or to reject those credits. In order for a landowner to be eligible to sell conservation credits, the Energy, Minerals, and Natural Resources Department and Taxation and Revenue Department must approve all of the credits. As a result, the seller of the credits must receive the necessary state approvals, obtain a certificate of eligibility, and warrant the validity of the credits.

Next time you are admiring the view of the prairie, you may be observing a conserved property, and by purchasing conservation tax credits, you can help ensure that there are more protected lands for generations of New Mexicans to enjoy.

**For more information, please contact:**

**Tax Credit Connection, Inc. • 303 774 8195 • [www.taxcreditconnection.com](http://www.taxcreditconnection.com)**

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### Examples:

Mr. and Mrs. Seller donated a conservation easement in 2014 worth \$200,000 and want to sell their tax credits. Mr. and Mrs. Buyer have a large New Mexico state tax bill worth \$100,000 and want to purchase the tax credits in June 2014.

Tax Credits	\$100,000
Purchase Rate	86%
Sale Price	\$86,000
<b>Buyer Savings</b>	<b>\$14,000</b>

If Mr. and Mrs. Buyer purchase tax credits in December 2014, the rate would increase to 89%, still saving them \$11,000.

Tax Credits	\$100,000
Purchase Rate	89%
Sale Price	\$89,000
<b>Buyer Savings</b>	<b>\$11,000</b>