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Grassley: Tax Code Should Continue to Support Land Conservation

WASHINGTON – The federal tax code contains key incentives for land conservation, and tax laws should go even further to protect natural resources, Sen. Chuck Grassley, ranking member of the Committee on Finance, said today.

“Private land owners are using tax incentives to save flood plains in Iowa, forests in Maine, wetlands in Louisiana, short-grass prairie in Arizona and the Big Sky Country of Montana,” Grassley said. “We can encourage more of a good thing by preserving and expanding tax incentives for land conservation.”

Grassley’s comments came after a Committee on Finance hearing at which Mark Ackelson, president of the Iowa Natural Heritage Foundation in Des Moines, testified that “federal tax incentives are a crucial element of the formula for preserving important lands throughout our country.”

Ackelson said the state of Iowa, despite “extremely modest growth,” is losing about 26,000 acres of agricultural land per year, according to recent Iowa State University studies. Even with current tax incentives, many Iowa landowners can’t afford to donate land for conservation because their land is a principle source of income, Ackelson said. He said further tax incentives would make it possible for more landowners to donate their land for conservation.

Grassley said the Committee on Finance should preserve all existing tax incentives for conservation and consider suggestions to add additional tax incentives.

Grassley said the bipartisan tax relief bill that he helped to write and that President Bush signed into law last week contains an important change to encourage land conservation. The new law repeals the geographical limitations on allowing conserved land to be excluded from the death tax.

The full repeal of those geographical limits is important to Iowa. Because of the previous restrictions, only 10 counties in Iowa met the strict requirement of being within 25 miles of a metropolitan area. Under the new law, every landowner in Iowa may choose to participate in a conservation easement program and be treated equally under the tax code for death tax purposes. The new law substantially reforms the death tax by increasing the unified credit and decreasing the death tax rate and ultimately repeals the tax for anyone who dies after Dec. 31, 2009.

“These are the kind of tax changes that you don’t hear about every day, but that make a real difference in the way a state looks and feels for future generations,” Grassley said. “It’s important to build on our recent successes to continue helping landowners preserve millions of acres for our children and grandchildren.”

