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*Finance Senators' Rural Heritage Conservation Extension Act Would Permanently Extend Tax Breaks for Donating Land for Protection*

*Washington, DC* – February 16, 2011 - Senate Finance Committee Chairman Max Baucus (D-Mont.) and Senator Chuck Grassley (R-Iowa) have introduced legislation to permanently extend income tax relief for ranchers, farmers and other landowners who donate agricultural land for conservation.

"This bill rewards ranchers and farmers in Montana and across the country who want to conserve our land and preserve open space for their kids and grandkids," said Baucus. "Our nation is losing precious agricultural and ranch lands at a record pace, resulting in a loss of natural habitats for wildlife and open spaces for our communities. We need to protect our land for future generations and to support the ranchers, farmers and other landowners who rely on it to make a living. These tax incentives provide the right tools to help landowners move toward conservation."

"Economists say if you want more of a certain behavior, give incentives to encourage the behavior," Grassley said. "Land conservation is something people want. Farmers already practice good stewardship of the land used for production agriculture. Conserving land is another example of good stewardship."

The Rural Heritage Conservation Extension Act of 2011 would permanently extend an increase in the maximum tax deduction for charitable contributions of conservation easements from 30 percent to 50 percent of adjusted gross income (AGI). The bill further benefits farmers and ranchers by permanently extending the current law allowing a charitable deduction for up to 100 percent of AGI for their donations of conservation easements. Any unused deduction can be carried forward for up to 15 years.

Baucus and Grassley first introduced legislation to create an enhanced conservation easement tax deduction in 2006 as part of the Pension Protection Act. The provision was subsequently

extended in the Food, Conservation and Energy Act of 2008 and the Taxpayer Relief, Unemployment Reauthorization and Job Creation Act of 2010. The tax deduction currently expires at the end of 2011. In 2009, the Senators introduced legislation to make the enhanced deduction permanent.

The text of the Rural Heritage Conservation Extension Act of 2011 can be found on the Finance Committee website here: http://finance.senate.gov/legislation/ .

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