

106TH CONGRESS
1ST SESSION

S. 808

To amend the Internal Revenue Code of 1986 to provide tax incentives
for land sales for conservation purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 15, 1999

Mr. JEFFORDS (for himself and Mr. CHAFEE) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide
tax incentives for land sales for conservation purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Conservation Tax In-
5 centives Act of 1999”.

1 **SEC. 2. EXCLUSION OF 50 PERCENT OF GAIN ON SALES OF**
 2 **LAND OR INTERESTS IN LAND OR WATER TO**
 3 **ELIGIBLE ENTITIES FOR CONSERVATION**
 4 **PURPOSES.**

5 (a) IN GENERAL.—Part I of subchapter P of chapter
 6 1 of the Internal Revenue Code of 1986 (relating to treat-
 7 ment of capital gains) is amended by adding at the end
 8 the following new section:

9 **“SEC. 1203. 50-PERCENT EXCLUSION OF GAIN ON SALES OF**
 10 **LAND OR INTERESTS IN LAND OR WATER TO**
 11 **ELIGIBLE ENTITIES FOR CONSERVATION**
 12 **PURPOSES.**

13 “(a) EXCLUSION.—Gross income shall not include 50
 14 percent of any gain from the sale of land or an interest
 15 in land or water (determined without regard to any im-
 16 provements) to an eligible entity if—

17 “(1) such land or interest in land or water was
 18 owned by the taxpayer or a member of the tax-
 19 payer’s family (as defined in section 2032A(e)(2)) at
 20 all times during the 3-year period ending on the date
 21 of the sale, and

22 “(2) such land or interest in land or water is
 23 being acquired by an eligible entity which provides
 24 the taxpayer, at the time of acquisition, a written
 25 letter of intent which shall include the following
 26 statement: ‘The purchaser’s intent is that this acqui-

1 sition will serve 1 or more of the conservation pur-
2 poses specified in clause (i), (ii), or (iii) of section
3 170(h)(4)(A).’

4 “(b) ELIGIBLE ENTITY.—For purposes of this sec-
5 tion, the term ‘eligible entity’ means—

6 “(1) any agency of the United States or of any
7 State or local government, or

8 “(2) any other organization that—

9 “(A) is organized and at all times operated
10 principally for 1 or more of the conservation
11 purposes specified in clause (i), (ii), or (iii) of
12 section 170(h)(4)(A),

13 “(B) is described in section 501(c)(3) and
14 exempt from tax under section 501(a), and

15 “(C)(i) meets the requirements of section
16 509(a)(2), or

17 “(ii) meets the requirements of section
18 509(a)(3) and is controlled by an organization
19 described in section 509(a)(2).

20 “(c) STOCK IN HOLDING CORPORATIONS.—For pur-
21 poses of this section, the term ‘land or an interest in land
22 or water’ shall include stock in any corporation, if the fair
23 market value of the corporation’s land or interests in land
24 or water equals or exceeds 90 percent of the fair market

1 value of all of such corporation's assets at all times during
2 the 3-year period ending on the date of the sale."

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for part I of subchapter P of chapter 1 of the Internal
5 Revenue Code of 1986 is amended by adding at the end
6 the following new item:

“Sec. 1203. 50-percent exclusion of gain on sales of land or interests in land
or water to eligible entities for conservation purposes.”

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to sales occurring on or after the
9 date of enactment of this Act.

○