



PARTNERSHIPS FOR CONSERVATION

The Endangered Species Recovery Act of 2007

For more than 30 years, the Endangered Species Act has been the driving force behind protecting America's imperiled plants and animals. Thanks to the Act, animals such as wolves, manatees and bald eagles are on the road to recovery. Regrettably, the Act does not have adequate tools to help aid this progress on private lands. Fortunately, Senator Crapo (R-ID), Senator Lincoln (D-AR) and others have introduced The Endangered Species Recovery Act of 2007 (S. 700), an exciting step forward for endangered species conservation.



Recognizing that partnering with private landowners on wildlife conservation is absolutely critical, The Endangered Species Recovery Act would provide \$400 million annually in new tax credits, plus additional deductions and exclusions, for private landowners who take steps to help endangered or threatened species on the properties they own.

Habitat Protection

S. 700 identifies two types of tax credits for taxpayers who enter into an enforceable agreement to protect the habitat of a qualified species by placing an easement on private land. A perpetual easement provides 100 percent of the difference between the value of the property prior to and following entering into the agreement. A 30-year easement provides 75 percent of the difference.

These agreements must include an approved habitat management plan designed to restore or enhance the habitat or to manage the habitat to reduce threats to the species. The plan must identify management practices, provide a schedule of deadlines, identify the entity that will provide technical assistance and provide for monitoring. Best of all, the legislation requires the plan to be consistent with any recovery plans approved under the ESA.

Habitat Restoration

As with the tax credits for easements, the habitat restoration tax credit is available to taxpayers who enter into an agreement to conduct restoration projects on their land. The bill also provides safeguards to ensure that the habitat restoration credits do not pay for actions required by law or actions that are already being financed by other conservation programs.

These credits also require an approved habitat management plan with all of the safeguards described above. The three types of habitat restoration that can generate tax credits include: 100 percent of the restoration costs to the taxpayer during the taxable year for a permanent agreement, 75 percent of the costs for a 30-year agreement, and 50 percent of the costs for any other timeframe.

Deductions

The bill also provides tax deductions for specific actions recommended in recovery plans approved under the ESA. Under current law, the costs of many actions are already being deducted as ordinary business expenses; the new deduction is not limited to business owners. For deductions, no agreements or plans are required for a taxpayer to qualify for these tax benefits. Simply, the costs of any recovery actions taken are deductible, so long as that action is recommended in a recovery plan approved under the Endangered Species Act.

Funding

Beginning in 2008, the bill limits the amount of credits that can be given out to \$300 million for perpetual agreements, \$60 million for 30-year agreements, and \$40 million for agreements under 30 years. If not all of the funds are allocation in a single year, the unused money may be carried over to the subsequent year.

The bill also identifies 11 different criteria to determine the allocation of these funds. These criteria include such things as the likelihood the activities will contribute to recovery and delisting of species, the activities cost-effectiveness, the urgency of the need to protect the species, and the ability to help resolve conflicts between species conservation and economic activities.

Exclusions and Cost-Share Programs

Finally, the bill includes provisions to ensure it does not deter taxpayers from participating in conservation programs including Partners for Fish and Wildlife Program, Landowner Incentive Program, State Wildlife Grants Program, and Private Stewardship Grants Program. Instead, it allows taxpayers to exclude from taxable income any payments received from the federal government under these cost-share programs.



Partnership is the Key

The recovery of many of our most imperiled wildlife species will require the cooperation of the nation's landowners, particularly its farmers, ranchers and forest landowners, yet there are few significant incentives to encourage landowners to do so. The Endangered Species Recovery Act of 2007 recognizes the need for and provides positive incentives for landowners. This bill acknowledges the significant public contributions of the conservation actions of private landowners, benefiting people and endangered species alike.