

106TH CONGRESS  
1ST SESSION

# S. 808

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

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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

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## 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.

