

113TH CONGRESS
1ST SESSION

H. R. 2713

To amend the Internal Revenue Code of 1986 to exclude from gross income gain from the sale or grant of conservation easements and to allow the sale or grant of conservation easements in the case of the special estate tax valuation provisions for certain farm and other trade or business real property.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2013

Mr. MEADOWS introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income gain from the sale or grant of conservation easements and to allow the sale or grant of conservation easements in the case of the special estate tax valuation provisions for certain farm and other trade or business real property.

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 “Capital Gains Ease-
5 ment Act of 2013”.

1 **SEC. 2. EXCLUSION OF GAIN FROM SALE OR GRANT FOR**
 2 **REAL PROPERTY CONSERVATION PURPOSES.**

3 (a) IN GENERAL.—Part III of subchapter B of chap-
 4 ter 1 of the Internal Revenue Code of 1986 is amended
 5 by inserting before section 140 the following new section:

6 **“SEC. 139E. GAIN FROM SALE OR GRANT FOR CONSERVA-**
 7 **TION PURPOSES.**

8 “(a) IN GENERAL.—Gross income shall not include
 9 any gain from the sale or grant of a qualified real property
 10 interest to a qualified organization exclusively for con-
 11 servation purposes.

12 “(b) DEFINITIONS.—For purposes of this section—

13 “(1) QUALIFIED REAL PROPERTY INTEREST.—

14 “(A) IN GENERAL.—The term ‘qualified
 15 real property interest’ means any of the fol-
 16 lowing interests in real property:

17 “(i) The entire interest of the tax-
 18 payer.

19 “(ii) A remainder interest.

20 “(iii) A restriction (granted in per-
 21 petuity) on the use which may be made of
 22 the real property.

23 “(B) SPECIAL RULE FOR MINERAL INTER-
 24 ESTS.—An interest in real property shall not
 25 fail to be treated as a qualified real property in-

1 terest solely by reason of a retention of a quali-
2 fied mineral interest.

3 “(2) QUALIFIED ORGANIZATION; CONSERVA-
4 TION PURPOSES.—The terms ‘qualified organization’
5 and ‘conservation purpose’ shall have the respective
6 meanings given such terms by section 170(h).”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 for part III of subchapter B of chapter 1 of such Code
9 is amended by inserting before the item relating to section
10 140 the following new item:

 “Sec. 139E. Gain from sale or grant of conservation easement.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 the date of the enactment of this Act.

14 **SEC. 3. SALE OF CONSERVATION EASEMENT NOT A DIS-**
15 **POSITION FOR PURPOSES OF SPECIAL ES-**
16 **TATE TAX REAL ESTATE VALUATION RULES.**

17 (a) IN GENERAL.—Paragraph (8) of section
18 2032A(c) of the Internal Revenue Code of 1986 is amend-
19 ed by inserting “or a sale or grant to which section 139E
20 applies” after “by gift or otherwise”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply to sales or grants after the date
23 of the enactment of this Act.

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