



HOUSE BILL 1008: Real Property Donation Tax Credit.

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2019-2020 General Assembly

Committee:	House Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	August 28, 2019
Introduced by:	Reps. Setzer, Szoka, Ross, Carney	Prepared by:	Greg Roney Staff Attorney
Analysis of:	PCS to First Edition H1008-CSTMf-27		

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 1008 would create an individual and corporate tax credit equal to 25% of the value of land donated to the State that is useful to buffer military installations and training areas.*

CURRENT LAW: Corporations and individuals are allowed a charitable contributions deduction for land given to the State. The donation must be formally accepted by the State. The charitable contribution deduction would be generally limited to 10% of a corporation's income and 50% of individual's income.

BILL ANALYSIS: The PCS for House Bill 1008 would allow a tax credit against corporate income tax for land located in the State that is donated to the State to buffer military installations and training areas. The tax credit equals 25% of the value of the land. A maximum of \$500,000 in tax credits can be earned per year. Any unused tax credit may be carried forward for 5 tax years. Taxpayers may not take a charitable contribution deduction for the same property. The PCS imposes substantiation requirements and prohibits private benefits such as satisfying zoning ordinances with the donated property.

The PCS for House Bill 1008 would also allow a tax credit against individual income tax for land located in the State that is donated to the State to buffer military installations and training areas. The tax credit equals 25% of the value of the land. A maximum of \$250,000 (\$500,000 for a joint return) in tax credits can be earned per year. Any unused tax credit may be carried forward for 5 tax years. Taxpayers may not take a charitable contribution deduction for the same property. The PCS imposes substantiation requirements and prohibits private benefits such as satisfying zoning ordinances with the donated property.

For both individual and corporate taxpayers, the Department of Natural and Cultural Resources must certify that the property donated is suitable for a buffer that has public benefit.

EFFECTIVE DATE: The PCS for House Bill 1008 would be effective for taxable years beginning on or after January 1, 2019, and sunset for taxable years beginning on or after January 1, 2023.

Karen Cochrane-Brown
Director



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Legislative Analysis
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