



2025-2026 General Assembly

HOUSE BILL 74:

House Budget Technical Corrections, Sec. 9.1:

Various Clarifying Changes to the Conservation Tax Credit

Analysis of: S.L. 2025-4, Sec. 9.1

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Section 9.1 of S.L. 2025-4 (House Bill 74) makes various stylistic and technical changes to the conservation tax credit as well as the following substantive changes:

- Expands the type of real property interest that may be donated to be eligible for the credit to match the federal definition for a qualified real property interest, which includes an easement.
- Provides a detailed proration formula for reducing the amount of credit to which a taxpayer is entitled when the applications for a credit exceed the maximum overall amount or the maximum amount that is prioritized for forestland or farmland conservation.
- Aligns the “no double benefit” provision in the individual income statute with its corporate counterpart.
- Allows an allocated, but unused, credit to be transferred by will or through intestate succession.

This section is effective for taxable years beginning on or after January 1, 2025, for donations made on or after January 1, 2025, and expires for taxable years beginning on or after January 1, 2027, for donations made on or after January 1, 2027.

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