



Conservation Easements

This issue brief provides an overview of conservation easements in Colorado and discusses the certification process, federal and state tax incentives for the donation of conservation easements, and state purchases of conservation easements.

Overview of Conservation Easements

A conservation easement is a voluntary legal agreement between a landowner and a charitable organization or government entity that permanently protects scenic or agricultural open space, natural habitat, or recreational areas. These agreements can be tailored to preserve the specific qualities tied to the property, allowing it to remain under private ownership and control while limiting future use and development. For example, some agreements may preserve traditional land uses such as family ranching or farming. Conservation easements may or may not allow public access to the protected property.

About 4.7 percent of land in Colorado is protected by conservation easements. Table 1 provides information about the ten counties with the highest percentage of land under a conservation easement.

Division of Conservation

The Division of Conservation in the Department of Regulatory Agencies was created in 2018 to administer the conservation easement tax credit program. Potential conservation easement donors seeking a tax

credit must apply to the Division for a certificate. The Division, along with the Conservation Easement Oversight Commission, assesses the credibility of conservation easement donations. The Division also certifies nonprofit and government organizations that hold donated conservation easements. Visit conservation.colorado.gov for more information.

Table 1
Colorado Counties with Highest Percentage of Land Protected by Conservation Easement

County	Acres under Easement	Total County Acres	Percent Protected
Costilla	241,946	787,126	30.7%
Park	60,583	440,958	13.7%
Pueblo	208,010	1,533,641	13.6%
Alamosa	62,466	462,654	13.5%
Douglas	70,383	539,007	13.1%
Las Animas	378,744	3,055,021	12.4%
Routt	160,641	1,516,077	10.6%
Otero	84,047	811,827	10.4%
Boulder	45,956	473,954	9.7%
Archuleta	77,455	859,556	9.0%
Statewide	3,157,189	66,602,784	4.7%

Source: Colorado Ownership, Management, and Protection Database, v20240702, Colorado State University

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Conservation Easement Tax Incentives

State and federal tax incentives are available to encourage the donations of conservation easements to government entities or land trusts, as outlined below.

Federal Tax Incentives

Federal law allows taxpayers to make a charitable donation of a qualifying conservation easement. Easements must meet a conservation purpose resulting in significant public benefit, such as preserving land for outdoor recreation, and must be donated in perpetuity.

State Tax Incentives

Since 2000, Colorado has offered a state income tax credit for conservation easements that qualify as charitable contributions under federal law. Recent legislation has increased the amount of tax credits available and how much may be claimed for each credit, with further changes set to take effect in 2027.

Prior Tax Credit Amounts

For conservation easements donated from 2015-2020, tax credit certificates are issued for 75 percent of the first \$100,000 of donated value and 50 percent of any remaining donated value up to a maximum of \$5 million per donation. Credits in excess of \$1.5 million are issued in increments of up to \$1.5 million per year in future years. See the Department of Revenue's [publication on Gross Conservation Easement Credit](#) for more information on conservation easements donated prior to January 1, 2021.

Current Tax Credit Amounts

A donor of a conservation easement donated after January 1, 2021, through 2027, may qualify for a tax credit worth 90 percent of the appraised value of the donation. For example, a donated easement worth \$1 million may qualify for a credit worth \$900,000. The amount of tax credits DORA may issue each year is capped at \$45 million, with a \$15 million limit on the amount of tax credits that may be reserved against future year caps. A portion of the tax credit may be claimed as a refundable credit, up to \$50,000 per year, if state revenue exceeds certain thresholds.

Recent Legislation

The passage of [Senate Bill 24-126](#) made the several modifications to conservation easement policy starting in tax year 2027, including:

- reducing the tax credit to an amount equal to 80 percent of the appraised value of the donation;
- increasing the amount of tax credits that may be certified each year to \$50 million;
- removing the \$15 million limit on the amount of tax credits that may be reserved against future year caps; and
- removing the requirement that state revenues exceed certain thresholds for taxpayers to claim a refundable tax credit and increasing the allowable refundable credit to \$200,000.

Also, starting in 2025, the holder of the conservation easement may approve wind or solar energy facilities that are compatible with conservation values.