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SOUTH CAROLINA
CONSERVATION
CREDIT EXCHANGE

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Conservation Credits are Not Just for Landowners

You do not have to be a landowner to enjoy tax savings from conservation tax credits. You can buy the credits at a discount and save money while helping landowners conserve South Carolina's farmland, forests, coastlines, and recreational areas. SC is one of only four states in the country that allow the trading of conservation tax credits. Transferability of the credits helps landowners with low tax liabilities and out-of-state landowners make conservation gifts.

The credits typically sell at 80 percent of their value. The discount means credit buyers earn 25 percent while investing in South Carolina's future.

How does it work? In South Carolina, you pay 7% state tax on your taxable income, through withholdings from your paycheck or quarterly estimated payments. On April 15 you file your state tax return and either pay a balance due or receive a refund.

Instead, you can use conservation credits to pay your state taxes or to receive a refund on taxes already paid. For example, you contact the Exchange and offer 80 cents on the dollar for \$20,000 in credits. The Exchange matches your offer with a pre-qualified conservation landowner and submits the transfer to the SC Department of Revenue. When the transfer is approved, you pay the landowner \$16,000 and claim \$20,000 in credits on your state tax return. You may carryover any unused credits to future years.

Typically, the credits are suitable for SC taxpayers and businesses generating \$100,000 or more in taxable income.

Selling credits at a discount makes sense for landowners who have a large number of credits relative to their income. For example, a landowner who has earned \$200,000 in credits, but owes only \$5,000 a year in state taxes would wait 40 years to use all of the credits.

Learn more about credits at the South Carolina Conservation Credit Exchange website: www.conserveSC.com, or call the Exchange at 704 975-3016.

Conservation consultant Robin Underwood, CFA, CFP® operates the Exchange. Sellers pay Exchange fees out of the proceeds of the sale. Neither land trusts nor the Exchange offer tax advice. Credit buyers and sellers must rely on their own advisors to determine if conservation tax incentives are appropriate for them.