

112TH CONGRESS  
1ST SESSION

# H. R. 481

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for qualified conservation contributions which include National Scenic Trails.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2011

Mr. CONNOLLY of Virginia (for himself, Mr. BLUMENAUER, Mrs. LUMMIS, and Mr. WITTMAN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Natural Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for qualified conservation contributions which include National Scenic Trails.

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 “Complete America’s  
5 Great Trails Act of 2011”.

1 **SEC. 2. NATIONAL SCENIC TRAIL CONSERVATION CREDIT.**

2 (a) IN GENERAL.—Subpart B of part IV of sub-  
3 chapter A of chapter 1 of the Internal Revenue Code of  
4 1986 is amended by adding at the end the following new  
5 section:

6 **“SEC. 30E. NATIONAL SCENIC TRAIL CONSERVATION CRED-**

7 **IT.**

8 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
9 lowed as a credit against the tax imposed by this chapter  
10 for the taxable year an amount equal to the fair market  
11 value of any National Scenic Trail conservation contribu-  
12 tion of the taxpayer for the taxable year.

13 “(b) NATIONAL SCENIC TRAIL CONSERVATION CON-  
14 TRIBUTION.—For purposes of this section—

15 “(1) IN GENERAL.—The term ‘National Scenic  
16 Trail conservation contribution’ means any qualified  
17 conservation contribution—

18 “(A) to the extent the qualified real prop-  
19 erty interest with respect to such contribution  
20 includes a National Scenic Trail (or portion  
21 thereof) and its trail corridor, and

22 “(B) with respect to which the taxpayer  
23 makes an election under this section.

24 “(2) NATIONAL SCENIC TRAIL.—The term ‘Na-  
25 tional Scenic Trail’ means any trail authorized and  
26 designated under section 5 of the National Trails

1 System Act (16 U.S.C. 1244), but only if such trail  
2 is at least 200 miles in length.

3 “(3) TRAIL CORRIDOR.—The term ‘trail cor-  
4 ridor’ means so much of the corridor of a trail as  
5 is—

6 “(A) not less than—

7 “(i) 150 feet wide on each side of  
8 such trail, or

9 “(ii) in the case of an interest in real  
10 property of the taxpayer which includes  
11 less than 150 feet on either side of such  
12 trail, the entire distance with respect to  
13 such interest on such side, and

14 “(B) not greater than 2,640 feet wide.

15 “(4) QUALIFIED CONSERVATION CONTRIBU-  
16 TION; QUALIFIED REAL PROPERTY INTEREST.—The  
17 terms ‘qualified conservation contribution’ and  
18 ‘qualified real property interest’ have the respective  
19 meanings given such terms by section 170(h), except  
20 that the entire interest of the taxpayer in real prop-  
21 erty shall be treated as a qualified real property in-  
22 terest.

23 “(c) SPECIAL RULES.—

24 “(1) FAIR MARKET VALUE.—Fair market value  
25 of any National Scenic Trail conservation contribu-

1       tion shall be determined under rules similar to the  
2       valuation rules under Treasury Regulations under  
3       section 170, except that in any case, to the extent  
4       practicable, fair market value shall be determined by  
5       reference to the highest and best use of the real  
6       property with respect to such contribution.

7               “(2) ELECTION IRREVOCABLE.—An election  
8       under this section may not be revoked.

9               “(3) DENIAL OF DOUBLE BENEFIT.—No deduc-  
10       tion shall be allowed under this chapter with respect  
11       to any qualified conservation contribution with re-  
12       spect to which an election is made under this sec-  
13       tion.

14       “(d) LIMITATION BASED ON AMOUNT OF TAX;  
15       CARRYFORWARD OF UNUSED CREDIT.—

16               “(1) LIMITATION.—The credit allowed under  
17       subsection (a) for any taxable year shall not exceed  
18       the sum of—

19                       “(A) the taxpayer’s regular tax liability for  
20       the taxable year reduced by the sum of the  
21       credits allowable under subpart A and sections  
22       27, 30, 30B, 30C, and 30D, plus

23                       “(B) the tax imposed by section 55.

24               “(2) CARRYFORWARD.—

1           “(A) IN GENERAL.—If the credit allowable  
2           under subsection (a) exceeds the limitation im-  
3           posed by paragraph (1) for any taxable year,  
4           such excess shall be carried to the succeeding  
5           taxable year and added to the credit allowable  
6           under subsection (a) for such succeeding tax-  
7           able year.

8           “(B) LIMITATION.—No credit may be car-  
9           ried forward under this subsection to any tax-  
10          able year following the tenth taxable year after  
11          the taxable year in which the credit arose. For  
12          purposes of the preceding sentence, credits shall  
13          be treated as used on a first-in first-out basis.”.

14          (b) CONTINUED USE NOT INCONSISTENT WITH  
15          CONSERVATION PURPOSES.—A contribution of an interest  
16          in real property shall not fail to be treated as a National  
17          Scenic Trail conservation contribution (as defined in sec-  
18          tion 30E(b) of the Internal Revenue Code of 1986) solely  
19          by reason of continued use of the real property, such as  
20          for recreational or agricultural use (including motor vehi-  
21          cle use related thereto), if, under the circumstances, such  
22          use does not impair significant conservation interests and  
23          is not inconsistent with the purposes of the National  
24          Trails System Act (16 U.S.C. 1241 et seq.).

1 (c) STUDY REGARDING EFFICACY OF NATIONAL  
2 SCENIC TRAIL CONSERVATION CREDIT.—

3 (1) IN GENERAL.—The Secretary of the Inte-  
4 rior shall, in consultation with the Secretary of the  
5 Treasury, study—

6 (A) the efficacy of the National Scenic  
7 Trail conservation credit under section 30E of  
8 the Internal Revenue Code of 1986 in com-  
9 pleting, extending, and increasing the number  
10 of National Scenic Trails (as defined in section  
11 30E(b) of such Code), and

12 (B) the feasibility and estimated costs and  
13 benefits of—

14 (i) making such credit refundable (in  
15 whole or in part), and

16 (ii) allowing transfer of such credit.

17 (2) REPORT.—Not later than 4 years after the  
18 date of the enactment of this Act, the Secretary of  
19 the Interior shall submit a report to Congress on the  
20 results of the study conducted under this subsection.

21 (d) CONFORMING AMENDMENT.—The table of sec-  
22 tions for subpart B of part IV of subchapter A of chapter  
23 1 of such Code is amended by adding at the end the fol-  
24 lowing new item:

“30E. National Scenic Trail conservation credit.”.

1           (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to contributions made after the  
3 date of the enactment of this Act.

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