



The information contained in this booklet is intended to provide general information only. Landowners should consult with their own legal and tax advisors concerning federal and state tax code and requirements.

Leave a Legacy for Future Generations

Consult the following for more information:

Internal Revenue Code §170(h)
Treasury Regulation §1.170A-14
IRS Notice 2004-41



Woodlands Conservancy is a nonprofit land trust organization that was founded in 2001 to protect and restore ecologically significant lands for the benefit of future generations.

Woodlands Conservancy
P.O. Box 7028
Belle Chasse, LA 70037

Phone: 504.433.4000
Email: katie@woodlandsconservancy.org

Tax Code Requirements



a Land Trust serving Louisiana



Potential Tax Benefits

The purpose of this brochure is to introduce conservation options that may provide financial benefits for a landowner in the form of tax savings.

It is important to understand the potential savings usually are not sufficient by themselves to justify a conservation agreement. The most important benefit enjoyed by a landowner is the knowledge that the future of his or her land is permanently protected.

When a landowner donates land or a permanent conservation easement to a land trust, and the gift or easement is for conservation purposes recognized by the IRS, the landowner may deduct the value of the land or easement from federal and state income taxes. This value must be determined by a qualified appraiser if it exceeds \$5000.

Qualified Conservation Contributions

Internal Revenue Code §170(h) outlines three basic tests a donation must meet to be considered a qualified conservation contribution.

1. A qualified real property interest (which includes perpetual conservation easements)
2. Granted to a qualified organization (generally a government agency or public charity)
3. Granted exclusively for conservation purposes, of which there are four categories:
 - a. Provides outdoor recreation or educational use for the general public
 - b. Protects a relatively natural habitat of fish, wildlife, plants, or similar ecosystem
 - c. Preserves open space where such preservation:
 - i. Provides for the scenic enjoyment of the general public
 - ii. Yields a significant public benefit
 - d. Preserves an historically important land area or a certified historic structure

Appraisal Requirements

- Donors/land owners must obtain a **Written Qualified Appraisal**. The Treasury Department details specific information that must be included in the appraisal (Tres. Reg.1.170A-13 (c)). The timing of the appraisal is essential. It cannot be dated earlier than 60 days before the gift is made.
- A state licensed or state certified appraiser who follows the Uniform Standards of Professional Appraisal Practice (USAP) must prepare the appraisal. Woodlands Conservancy must be furnished a copy of the complete written appraisal.
- There are specific Treasury Regulations governing the determination of the value of conservation easements (Tres. Reg.1-170A-14(h)(3)).
- An appraisal summary (IRS Form 8283), signed by the appraiser and Woodlands Conservancy must be attached to the Federal Income Tax Return on which the deduction for the contribution is first claimed.
- For charitable donations of property valued at more than \$500,000, the Donor must include the full, unabridged appraisal with the tax return (Public Law No.:108-357).
- The donor must maintain records for property contributions, including the complete written appraisal.

Woodlands Conservancy Policies

It is the policy of Woodlands Conservancy not to pay for or contract for a Donor/Landowner's appraisal. The appraisal and its conclusions are entirely the Donor/Landowner's responsibility.

Woodlands Conservancy will not knowingly participate in projects where it has significant concerns about appraisal valuations and the resulting tax deduction..

There are substantial tax penalties on significantly over-valued contributions. Consult IRS Notice 2004-41.

Although Woodlands Conservancy does not bear legal responsibility for meeting IRS requirements, in the interest of maintaining public confidence, Woodlands Conservancy will do its part to see that IRS requirements are followed.