the
SAN JUAN
PRESERVATION
TRUST

CONSERVATION EASEMENT DONATION INFORMATION
FEDERAL TAX BENEFIT CONSIDERATIONS

The following may be useful for donors that may wish to seek federal tax benefits for their conservation easement gift.

- *The San Juan Preservation Trust (Preservation Trust) does not provide legal, financial or tax advice to conservation easement donors.*

- *The Preservation Trust will not participate in any project that it feels may undermine the intent of state and federal tax codes related to charitable gifts of land and conservation easements.*

- All conservation easement donors are urged to seek legal and financial advice from qualified professionals regarding advantages, implications, and obligations of their specific conservation easement donation, including what they may need to meet any federal, state and local requirements for a tax deduction.

- Tax advantages of a conservation easement donation vary depending upon the property, the terms of the conservation easement, and the donor's tax situation.

- The donor is responsible for any determination of the value of the donation. The Treasury Department regulations require the donor to obtain a "qualified appraisal" prepared by a "qualified appraiser" for gifts of property valued at more than $5,000.00, including that the appraiser follow the "Uniform Standards of Professional Appraisal Practice". The requirements for a "qualified appraisal" and "qualified appraiser" are numerous and must be followed.

- The valuation date of the qualified appraisal is the effective date of the conservation easement donation (i.e., the date of its recording), unless the qualified appraisal is completed before the conservation easement donation. The Treasury Regulations require that any appraisals completed before the date of donation be completed no earlier than 60 days prior to the effective date of the conservation easement and make reference to the projected date of donation (as the IRS has concluded that an appraisal cannot adequately "forecast" a value more than 60 days advance of the donation date).

- It is the full responsibility of the donor to engage an appraiser and pay for the appraisal. The Preservation Trust does not recommend appraisers and is not responsible for their performance.

- Conservation easement donors are advised to contact an appraiser and initiate an appraisal as early as possible (subject to the above window), as this process can take time.

- The Preservation Trust will provide conservation easement donors with a substantiation letter acknowledging the gift of a conservation easement. This letter should be kept with tax records but does not need to be provided to the IRS with the tax filing (but many donors choose to do so).

- A donor claiming a charitable tax deduction for a conservation easement donation must submit the 2-page IRS "Form 8283" with the tax return (signed by both the appraiser and the Preservation Trust) (if the value of the conservation easement donation exceeds $5,000), and attach a supplemental statement completed in accordance with the IRS Form 8283 Instructions and a copy of the complete appraisal.

- At least three weeks before the IRS filing deadline, the Preservation Trust will need to receive both the completed appraisal and the Form 8283 (including its supplemental statement) so that it can review and sign the Form 8283. Donors are therefore encouraged to complete the appraisal and Form 8283 as soon as is possible so that they do not miss their IRS tax return deadline, and to provide the Preservation Trust with a draft of the Form 8283 before the final Form 8283 is signed by the appraiser and sent to the Preservation Trust for signature.

- The Preservation Trust will sign its Form 8283 acknowledgment if in its best judgement, the form is complete and accurate (but without expressing a view or agreement as to the claimed value of the conservation easement donation). If there are significant concerns about information included in the appraisal or the donor's Form 8283, the Preservation Trust will return the documents to the donor with an explanation regarding the identified reservations.

- The Preservation Trust's accreditation standards require that it retain copies of both the final appraisal and the fully signed Form 8283.

- For more information about donating a conservation easement to the Preservation Trust, visit www.sjpt.org or contact one of our team members:

Vickie Edwards, Conservation Director
(360) 317-3231 or vickie@sjpt.org

Kathy Knowles, Acquisitions Specialist
(360) 378-2461 or kathy@sjpt.org

Olivia Walcott Gonda, Acquisitions & Grants Manager
(360) 378-2461 or olivia@sjpt.org

Note: The San Juan Preservation Trust provides this information to landowners with the understanding that the Preservation Trust is not rendering legal, accounting, or other professional counsel. If a landowner requires legal advice or other expert assistance, seek the services of competent professionals.