

Chebeague & Cumberland Land Trust Land Donor Letter

Dear Land Owner:

We are sending this letter to you because we understand you are interested in receiving a tax deduction as the result of your gift (or bargain sale) to the Chebeague & Cumberland Land Trust. It is imperative that you also speak with your attorney and accountant to determine the specific tax benefits for which you may qualify.

IRS regulations require specific documentation from taxpayers who make charitable contributions of property (other than cash or publicly-traded securities) having a value of more than \$5,000. These regulations apply to all gifts of land or conservation easements. Since you will be required to comply with these regulations in filing your income tax returns, I am sending you this brief explanation of what the regulations entail. Please note, however, that IRS regulations change from time to time and that you should check with your tax advisor to confirm that this letter is up to date. **Additionally, this letter is not intended and should not be understood as legal advice to you, and you should confer with your tax advisors on all matters of this transaction before filing your tax return to ensure that all provisions of the regulations have been met.**

In order for a taxpayer to qualify for a charitable donation deduction, the taxpayer must meet the requirements in the following regulations:

Section 170 (h) of the Internal Revenue Code defines the terms related to a “qualified conservation contribution.”

Section 1.170A-14 of the Treasury Department Regulations articulate in more detail the definitions of a “qualified conservation contribution” and the corresponding actions that are required to comply with the law.

In addition, property owners must obtain a “qualified appraisal” prepared by a “qualified appraiser”. The terms “qualified appraisal” and “qualified appraiser” are defined in the regulations.

Another requirement of the regulations is that the taxpayer must file the IRS Noncash Charitable Contributions Form 8283. This form must be signed by the appraiser and donor, and receipt of the charitable contribution must be acknowledged by the donee organization, Chebeague & Cumberland Land Trust.

If CCLT sells or otherwise disposes of the donated property within three years, the Land Trust must file the Donee Information Return Form 8282 with the IRS, and send a copy to the taxpayer. This will allow the IRS to cross-check the sales price with the value claimed on the donor's tax return.

The State of Maine conservation easement requirements can be found at Title 33 Maine Regulations Statutes, Section 477-A.

CCLT will not knowingly participate in a project if CCLT has significant concern about the tax deduction.

CCLT
Created Date: 5/21/2010
Last Revised Date: 8/26/11

FINAL

R_10A_10B_10D
Discussed by Full Board: June 8, 2010

References: LTA Standard 10A, [A Guide to the Tax Benefits of Donation a Conservation Easement](http://learningcenter.lta.org/attached-files/0/79/7963/appendix_10_A_02.pdf) By Timothy Lindstrom, Esq (http://learningcenter.lta.org/attached-files/0/79/7963/appendix_10_A_02.pdf) and the corresponding statues and regulations