

**Chebeague & Cumberland Land Trust
Sample Land Donor Letter**

Dear (Land Owner):

Greetings. The Trust appreciates your sale/gift of (land or easement).

I am sending this letter to you because the Trust understands that you may be interested in pursuing income tax benefits as the result of your gift (or bargain sale) of the _____ easement/parcel to the Chebeague & Cumberland Land Trust. My reason for writing to you and providing the information below is to help you understand some of the more important issues related to IRS laws and regulations governing land and conservation easement donations and related income tax benefits. **Please accept this letter as a courtesy; it is not intended to be legal, tax or accounting advice and should not be understood as such. The laws and regulations governing tax treatment of charitable donations are complex and detailed, please be sure to confer with your tax and legal advisors on all matters related to the tax implications of your gift before filing your tax return.**

The following points briefly summarize the more commonly applicable tax statutes and regulations governing charitable donations of interest in land. Current IRS regulations require that taxpayers seeking tax benefits for charitable contributions of easements or parcels to conservation organizations having a value of more than \$5,000, to also satisfy certain specific documentation procedures. Please note that IRS regulations change from year to year. Again, please be sure to check with your legal counsel and tax advisors to confirm what regulations and standards apply to your circumstances.

For charitable donations of land interests to meet current IRS and State standards the following issues need to be included and properly addressed:

- **The donation must be a “qualified conservation contribution” to a “qualified organization.”** Section 170 (h) of the Internal Revenue Code currently defines the terms related to a “qualified conservation contribution” and “qualified organization.”

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.

- **Property owners must obtain a “qualified appraisal” prepared by a “qualified appraiser.”** The terms “qualified appraisal” and “qualified appraiser” are defined in the IRC and Treasury Department regulations. (see Treasury Department Regulations 1.170A-13(c), 1.170A-14(h) and IRS Publication 561, Determining the Value of Donated Property).

Specifically, the qualified appraiser must follow the Uniform Standards of Professional Appraisal Practice (USPAP) and the appraisal must comply with the USPAP standards. Timing of the appraisal must not be earlier than 60 days prior to the date of contribution and no later than the due date for the tax return on which the deduction is first claimed.

- **The appraisal must reflect the value of the easement on the date of conveyance, no matter when the appraisal is performed.**

To meet current land trust standards, the Chebeague & Cumberland Land Trust will also require a copy of the appraisal for its review and records.

- **The taxpayer must file an IRS Noncash Charitable Contributions Form 8283.**

This form must be completed by the taxpayer and signed by the appraiser. The receipt of the charitable contribution also must be acknowledged on the form by the Chebeague & Cumberland Land Trust as the donee/holder organization.

- **The Maine statutes also include a number of requirements specific to conservation easements that you must review and consider.**

The Maine requirements for conservation easement are set forth in Title 33 of the Maine Revised Statutes Annotated beginning at Section 477-A.

To ensure the success of any project and to allow the Trust to legally accept or purchase land and easements it must fully understand your goals and objectives, the details of the donation and the income tax implications. We look forward to working with you to meet the income tax and other federal and state requirements for the project and thank you for the privilege of working with you and your family towards permanently protecting the conservation values of your property.

Sincerely,

Penny Asherman
President

Certified by:



Julie Franklin, Secretary

6/13/2012

Date

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