

# Glocester Land Trust

## *Additional Information for Conservation Easement Donors Filing Form 8283 and Supporting Documents*

The Gloucester Land Trust does not give advice on tax matters and the following consists of general information from publicly available sources. It is provided to you as a courtesy and includes suggestions and recommendations which GLT officers and consultants have learned from IRS officials, Land Trust Alliance staff and others. You should confirm its current accuracy with your personal tax advisor.

In order to qualify for a charitable contribution income tax deduction for your conservation easement gift, you must file IRS Form 8283 with your federal tax return. At a minimum, you should carefully review IRS "Instructions for Form 8283 (Rev. December 2006)".

Form 8283 Instructions require the taxpayer to attach a statement that:

- Identifies the conservation purposes furthered by your donation,
- Shows, if "before and after" valuation is used, the Fair Market Value of the underlying property before and after the gift,
- States whether you made the donation in order to get a permit or other approval from a local or other governing authority and whether the donation was required by a contract, and
- If you or a related person has any interest in other property nearby, describes that interest.

Although virtually all of the above information will be found in other documents including the Easement Agreement, Baseline Documentation Report, and Appraisal, IRS officials insist that it be aggregated in the above statement. The statement's extent of detail should be consistent with the size and complexity of the easement. One attorney active in conservation easement matters stated that his supplemental statements typically run 3-9 pages.

IRS officials also recommend that the taxpayer attach copies of (1) the contemporaneous written acknowledgment (thank you letter) from GLT; (2) the Easement Agreement; (3) the Baseline Documentation Report; and (4) the appraisal of the property subject to the easement gift (inclusion of which is mandatory in the case of a deduction greater than \$500,000).

As we informed you previously, the Gloucester Land Trust will not participate in a project in which it has significant concerns about the tax deduction claimed for the gift. Accordingly, GLT requires you to provide a copy of your appraisal for our review prior to signing Form 8283.

GLT will sign your Form 8283 only when it is complete in every respect. To avoid delay, please be certain that you have provided full information in Part I Information on Donated Property, including the date you acquired the property and your cost or adjusted basis.