



## **Bayfield Regional Conservancy**

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**Donations of Land** - Real estate that meets the Bayfield Regional Conservancy's acquisition criteria will be protected in its natural state or according to terms and conditions outlined in a conservation easement document. Other donated real estate-like homes, vacant lots, or commercial and industrial properties - may be sold (with development restrictions, if appropriate), with the proceeds used to further the goals of the land trust. Gifts of appreciated real estate held long-term may entitle the landowner to an income tax deduction for its full-market value, subject to certain limitations.

**Donations of Conservation Easements** - Potential federal income tax benefits vary with the particulars or each donation. Essential points to consider include:

- 1) Work with a qualified conservation organization - The easement must be granted to a qualified conservation organization, like a land trust or a public agency charged with overseeing land conservation or historic preservation programs.
- 2) Donations should be made for conservation purposes - An easement must be granted exclusively for conservation purposes. This can cover preservation of natural habitats or resource lands, historic sites, unique scenic landscapes, wildlife corridors or connections to other preserved parcels, areas of concern for public education or recreation, or open spaces in vicinity of intense land development. In general, the maximum allowable deductions arise from conservation easements donated over large tracts of open space in areas where development pressures are intense.
- 3) Agreement must have permanence - The easement must be granted in perpetuity.
- 4) Deduction for donations are calculated differently - The amount a property owner can deduct for a donated easement generally equals the reduction in the property's value due to the easement or the difference between the property's independently appraised value before the easement is granted and after the easement's restrictions take effect.
- 5) Secure the proper appraisal - The appraisal that determines the easement value must meet strict federal substantiation requirements as specified in federal tax law regarding conservation easements.