

**LTA Standard 10: Tax Benefits**

*The land trust works diligently to see that every charitable gift of land or easements meets federal and state tax law requirements.*

**Practice 10A: Tax Code Requirements**

*The land trust notifies (preferably in writing) potential land or easement donors who may claim a federal or state income tax deduction, or state tax credit, that the project must meet the requirements of IRC §170 and the accompanying Treasury Department regulations and/or any other federal or state requirements. The land trust on its own behalf reviews each transaction for consistency with these requirements.*

It is the policy of the Blue Ridge Land Conservancy that it shall include information in its conservation easement application and conservation easement guide notifying potential easement donors that while the Conservancy will make every effort to ensure that any donated easement meets IRS requirements for deductibility and Virginia requirements for Land Preservation Credit eligibility, each potential donor should seek their own counsel to make certain their donated easement meets these standards.

The Conservancy shall ascertain donor intent regarding tax benefits. It shall review each transaction for consistency with state and federal requirements for deductibility and eligibility for Virginia Land Preservation Credits.

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**Practice 10B: Appraisals**

*The land trust informs potential land or easement donors (preferably in writing) of the following: IRC appraisal requirements for a qualified appraisal prepared by a qualified appraiser for gifts of property valued at more than \$5,000, including information on the timing of the appraisal; that the donor is responsible for any determination of the value of the donation; that the donor should use a qualified appraiser who follows Uniform Standards of Professional Appraisal Practice; that the land trust will request a copy of the completed appraisal; and that the land trust will not knowingly participate in projects where it has significant concerns about the tax deduction.*

It is the policy of the Blue Ridge Land Conservancy that it shall inform potential land or easement donors in its application, conservation easement guide, and correspondence regarding land donations (if applicable) of the following: IRC appraisal requirements for a qualified appraisal prepared by a qualified appraiser for gifts of property valued at more than \$5,000, including information on the timing of the appraisal; that the donor is responsible for any determination of the value of the donation; that the donor should use a qualified appraiser who follows Uniform Standards of Professional Appraisal Practice; that the Conservancy will request a copy of the completed appraisal; and that the Conservancy will not knowingly participate in projects where it has significant concerns about the tax deduction.

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**Practice 10C: No assurances on deductibility or tax benefits**

*The land trust does not make assurances as to whether a particular land or easement donation will be deductible, what monetary value of the gift the Internal Revenue Service (IRS) and/or state will accept, what the resulting tax benefits of the deduction will be, or whether the donor's appraisal is accurate.*

It is the policy of the Blue Ridge Land Conservancy that it shall state in its conservation easement application, or in correspondence regarding land donations if applicable, that donors should seek their own professional advice regarding deductibility, eligibility for Virginia Land Preservation Tax Credits, valuations, and appraisals.

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**Practice 10D: Donee responsibilities—IRS forms 8282 and 8283**

*The land trust understands and complies with its responsibilities to sign the donor's Appraisal Summary Form 8283 and to file Form 8282 regarding resale of donated property when applicable. The land trust signs Form 8283 only if the information in Section B, Part 1, "Information on Donated Property," and Part 3, "Declaration of Appraiser," is complete. If the land trust believes no gift has been made or the property has not been accurately described, it refuses to sign the form. If the land trust has significant reservations about the value of the gift, particularly as it may impact the credibility of the land trust, it may seek additional substantiation of value or may disclose its reservations to the donor. (See 5B for other gift substantiation requirements.)*

It is the policy of the Blue Ridge Land Conservancy that it shall review a final (not draft) appraisal for any donated easement or property prior to signing the deed. The purpose of a review before signing the deed is to prevent Conservancy involvement in projects where it has significant concerns about the appropriateness of the methodology or the legitimacy of the valuation in the appraisal, and to protect the integrity and reputation of the Conservancy and the broader land conservation community. If the Conservancy has significant reservations about the appraisal, it may seek additional substantiation of value or may disclose its reservations to the donor.

If the Conservancy reviews the appraisal and has no concerns about methodology or valuation, it shall comply with its responsibilities to sign the donor's Appraisal Summary Form 8283 and file Form 8282 regarding resale of donated property when applicable. The Conservancy shall sign Form 8283 only if the information in Section B, Part 1, "Information on Donated Property," and Part 3, "Declaration of Appraiser," is complete. If the Conservancy believes no gift has been made or the property has not been accurately described, it shall refuse to sign the form.