

Tax Information and Appraisal Requirements for Donations or Partial Donations of Land

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Conservation tax laws and programs are subject to change at any time. For the most up-to-date information, consult your personal tax advisor. This information is intended to give a general overview of current tax code and appraisal requirements for tax deductions claimed for donated conservation lands. It is not a complete summary of these requirements; nor does it constitute legal or tax advice. Law may change and this information is up to date as of May 2024. For additional information and guidance, consult a qualified attorney or tax professional.

Thank you for considering conservation as an option for the future of your property. Donating land for conservation is one of the finest legacies one can leave to future generations. A donation or bargain sale of land in fee, like other non-cash contributions to charitable organizations, can result in a significant tax deduction for the donor. Under current law, the market value of the donation can be deducted from the donor's adjusted gross income. Under current law, the deduction is limited to 30% of the donor's adjusted gross income, but if the donor cannot deduct the full value of the property in the year it was donated, he or she can carry over the remaining value for up to five years.

Valuation of Donated Property

The **market value of the donated property** must be determined by a written, "qualified" appraisal. The relevant U.S. Treasury regulations state that: the appraisal must be performed no earlier than 60 days before the gift is made and no later than the date on which the landowner files the tax return claiming the deduction.

The appraisal must contain:

- A description of the property including its location and its physical condition.
- The actual or anticipated date of the gift, and the date on which the property was valued by the appraiser.
- The appraised fair market value of the property on the actual or anticipated date of the gift, including a description of the method of valuation used and the specific basis for the valuation, such as comparable sales.

- The name, address, and social security number of the appraiser, and a statement describing the appraiser's qualifications
- A statement that the appraisal was prepared for income tax purposes.
- A description of the fee arrangement between the donor and appraiser.
- The signature of the appraiser and the date of the report.

The appraisal must meet the **Uniform Standards of Professional Appraisal Practice** and be conducted by a "qualified appraiser"; that is, the appraiser must be qualified by training and experience or certification to perform appraisals. In addition, the appraiser cannot have any personal stake in the donated property, cannot be related to the donor or to a Triangle Land Conservancy insider, or have any business relationship with either party that would cause a reasonable person to question the appraiser's independence. The appraiser's fee cannot be based upon a percentage of the appraised value of the property.

Claiming the Deduction-Form 8283

The landowner must attach a "fully completed appraisal summary" on **IRS Form 8283** to the tax return for the year in which the property is donated. The Form 8283 must be signed by the appraiser and a representative of Triangle Land Conservancy. Please note that Triangle Land Conservancy will sign the 8283 only when Parts I and III of Section B have been completely filled out and only when it has no significant concerns about the tax deduction claimed for the donation. The appraisal report itself need not be attached to Form 8283 except when the donated property is valued at \$500,000 or more, in which case the full appraisal report must be filed with the donor's income tax return.

The donor is required to maintain records pertaining to the gift, including a copy of the qualified appraisal.

It is the policy of Triangle Land Conservancy to review the landowner's appraisal before signing Form 8283. Triangle Land Conservancy will not participate in conservation projects where it has significant concerns about the tax deduction.

For more information on conservation agreements and other things TLC, you can get in touch with our staff by emailing us at info@triangleland.org or calling **919-908-8809**.

Triangle Land Conservancy strives to create a healthier and more vibrant Triangle region by safeguarding clean water, protecting natural habitat, supporting local farms and food, and connecting people with nature through land protection and stewardship, catalyzing community action, and collaboration. Learn more at our website at www.triangleland.org and connect with us on [Facebook](#), [Instagram](#), and [LinkedIn](#).

