Most people who donate land or a conservation easement to a land trust are motivated by love for the land and their wish to see that land preserved for future generations. Some donors also take advantage of tax benefits associated with land conservation gifts.

Here is a short summary of the tax incentives for qualified conservation gifts. Tax laws change frequently, and this information only briefly describes potential benefits and should not be considered legal or tax advice. Anyone considering conservation gifts as part of their financial or estate plans should consult an attorney or tax planner familiar with these conservation tax benefits.

**Gifts of Money or Other Assets**
Outright cash gifts are the simplest way to support a land trust and gain a tax deduction. You can also donate other assets, like securities, stocks, or life insurance. The IRS rules governing donations vary according to the type of gift. Such donations are deductible up to the value of the donated item. Taxpayers may deduct up to 50% of their adjusted gross income for cash donations.

**Donation of “Qualified Conservation Contributions”**
The value of a gift of either land or a conservation easement can be deducted from the donor’s federal income taxes if that gift meets certain IRS qualifications. Tax savings are neither guaranteed nor expeditious, and tax incentives can vary over time. Conservation gifts can take several months to close and potential federal tax benefits are dependant on the particulars of each donation. The IRS rules for qualified conservation gifts are in the tax code in IRC Section 170(h).


To qualify for a deduction, gifts of land or conservation easements must:

1) **Be to a qualified organization** - The easement must be granted to a qualified charitable conservation organization or a public agency charged with overseeing land conservation or historic preservation. The recipient organization “must have the resources to…monitor and enforce” the easement restrictions.

2) **Be for conservation purposes** - An easement must be granted exclusively for conservation purposes. The IRS has a broad definition of “conservation purposes” that includes preservation of natural habitats or resource lands, historic sites, scenic landscapes, wildlife corridors, areas for public education or recreation, and open spaces.

3) **Be permanent** – Donated conservation easements must be granted in perpetuity.

4) **Be properly appraised** - The appraisal to determine the easement value must meet strict federal substantiation requirements as specified in federal tax law regarding conservation easements.

5) **Be reported using IRS Form 8283** – The easement donor must complete Form 8283 including the value of the donation, and have the recipient organization sign the form to acknowledge receipt of the easement.
Local Property Taxes
Local property tax assessments are based on a property’s full-market value, which takes into consideration the property’s reasonable development potential. If a conservation easement reduces or removes this potential, the assessment and, accordingly, the property taxes, may be reduced. Wisconsin Statute §70.32(1g) requires local tax assessors to consider the effects of a conservation easement when assessing property. In practice, there has been wide variation in how easements are considered by assessors across the state.

For More Information
An experienced land trust is a good source of information about your land conservation options. They can illustrate successful examples of land donations and conservation easements, and outline the steps a landowner should take to examine the available options. Land trusts cannot provide legal or financial advice, however, and they cannot guarantee the success of a particular plan or give potential donors a “ball park” estimate of a tax break. Conservation donors should seek qualified, independent counsel from legal and financial experts familiar with the laws pertaining to charitable gifts of land and easements.

updated April 2015