

Maine Coast Heritage Trust staff uses this document in its land conservation efforts. It is designed for internal MCHT use, and is provided here as a reference or guide. Each land trust has its own mission, priorities, and organizational characteristics that should direct how it does its work and what documents it uses. Please feel free to use the ideas, processes, and even specific text contained in this document, but be sure to tailor them for your organization. Land trusts should always use a lawyer knowledgeable in land transactions when working on a conservation easement or preserve acquisition. MCHT does not guarantee or provide advice as to the tax consequences of any project or action.

**Maine Coast Heritage Trust**  
***Land Conservation Assistance***  
***and***  
***Conservation Gift Acceptance Policy***

***MCHT's role:***

Maine Coast Heritage Trust provides its land conservation advisory services to landowners, partner organizations and agencies who are interested in conserving Maine lands that provide important public benefits. Our staff is available to help facilitate a range of voluntary conservation real estate transactions, including the gift or sale of land or conservation easements to MCHT or other organizations with whom we work, such as federal or state government, other statewide or regional land trusts or local land trusts.

***Need for Landowner's Independent Counsel:***

Although our staff is able to share information and transaction assistance gained from many years experience working as a Maine land trust, we do not provide legal or financial advice to landowners, land trusts or their advisors. We always encourage landowners to hire their own professional, independent advisors (which may include an attorney, appraiser, and accountant), to represent the landowners' interest in any conservation transaction.

***MCHT Criteria and Acceptance Procedures:***

Maine Coast Heritage Trust is a non-profit, tax-exempt 501c(3) organization, and is a publicly supported charity with a commitment to land conservation, and thus a "qualified holder" of conservation easements as required by the Internal Revenue Code. Offers of lands or easements must meet MCHT's criteria for land protection and demonstrate clear public benefit, and all projects offered to MCHT require review and approval by the Trust's Board of Directors. MCHT criteria for land protection are described in more detail in a separate document available from MCHT upon request.

***Tax Deductibility of Gifts:***

Landowners seeking state or federal income tax deduction or estate tax benefits as a result of a charitable land transaction with MCHT must consult with their legal advisors to ensure that their gift meets all federal and state requirements. Even for fully deductible gifts to conservation, the tax consequences of a conservation gift depend on many factors

specific to the taxpayer, and not just MCHT's non-profit status and its conservation commitment. MCHT makes no representation or warranty whatsoever regarding the tax treatment of any transaction.

***Appraisal of Gifts:***

In accordance with IRS regulations, donors who claim a charitable deduction for a gift of land or a conservation easement valued at more than \$5,000, will need to substantiate the value of the gift with an independent "qualified appraisal" following the Uniform Standards of Professional Appraisal Practice and applicable IRS regulations. The appraisal cannot be completed earlier than 60 days before the date of the gift and must state the fair market value of the gift as of the date of contribution. MCHT may not provide this service to donors, since the appraisal must be independent of the donee.

***IRS Form 8283:***

Donors wishing to claim a charitable gift deduction for land or easements will have to attach IRS Form 8283, to their tax return for the year of the gift. This form summarizes the type and value of the donor's "non-cash charitable contributions," and is available from your tax advisor (or by visiting <http://www.irs.gov/pub/irs-pdf/f8283.pdf> and <http://www.irs.gov/pub/irs-pdf/i8283.pdf> ).

***IRS Form 8283 Requirements:***

As noted in the 8283 form instructions revised in 2005, donors of conservation easements must also attach a statement to Form 8283 to identify the conservation purposes of the gift; the method of valuation; detailed before and after valuation information provided by the qualified appraisal; whether the gift was required by a contract; whether the donor made the gift in order to receive a permit or other approval from a local or other governing body; and whether the donor or a related party has any interest in other nearby land. MCHT can provide a sample attachment that includes our understanding of the conservation purposes, to assist your advisors with this statement.

In the case of a gift or bargain sale of either a conservation easement or land, the donor's appraiser must sign Form 8283, confirming that they appraised the donation, disclosing the method of valuation, and attesting to their qualifications as an independent appraiser and the value of the gift. If the value of the gift is greater than \$500,000, the entire appraisal must be sent to IRS with Form 8283. MCHT, as a charitable donee of a gift, must be asked by the donor to sign IRS Form 8283 to certify that we have received the claimed gift. Please see below regarding our appraisal review policy.

***MCHT Request for Landowner's Appraisal:***

MCHT is now asking landowners to provide us with a copy of their completed gift appraisal so that we may review it in advance of being asked to sign Form 8283. While MCHT is not responsible to IRS for the accuracy of the appraiser's work, MCHT has an ethical responsibility to review the reported valuation for gifts it accepts, and to avoid acknowledging gifts that are inaccurately described. MCHT will not knowingly participate in transactions where it has significant concerns about the tax deduction. MCHT will also not acknowledge as a gift, a transaction that is required by contract or

regulatory exaction. In any event, MCHT makes no representation or warranty whatsoever regarding the tax treatment of any transaction.

In order to meet this commitment to excellence in our conservation transaction practices, MCHT would appreciate receiving the appraisal copy as early as possible – ideally at or before the time of the project closing. Our staff is glad to discuss this policy with landowners or their advisors in order to help answer questions.