



Landowner Appraisal Resources

Arranging for an appraisal

To claim a deduction, a landowner must obtain a **qualified appraisal** of the conservation easement from a **qualified appraiser**. IRS requirements are strict.

What is a “qualified appraisal”?

The Internal Revenue Code 170 outlines appraisal requirements that the donor must satisfy in order to qualify for a tax deduction, including:

- that a written qualified appraisal be prepared by a “qualified appraiser” who is independent to the transaction,
- the effective date of an appraisal cannot be earlier than 60 days before the conservation easement closing;

Who is a “qualified appraiser”?

The IRS defines a *qualified appraiser* an individual who has:

- Earned an appraisal designation from a recognized professional appraiser organization or has otherwise met minimum education and experience requirements set forth in regulations prescribed by the Secretary,
- Regularly performs appraisals for which the individual receives compensation, and
- Is licensed or certified by the State of South Carolina for the type of property being appraised.

The SC Conservation Bank [publishes a list](#) of recommended qualified appraisers.

The easement donor has the responsibility for obtaining above appraisal and for providing a copy to the land trust for review with the IRS-form 8283.

Required IRS forms

To document the value of their gift, conservation easement donors must attach **IRS Form 8283** to their tax returns.

In addition to Form 8283, the IRS requires the landowner provide the recorded conservation easement and baseline, the charitable gift acknowledgement (letter from OLT), and a supplemental statement or “narrative” summarizing:

- The conservation values of the donated easement,
- The appraiser's valuation assumptions and conclusions, including fair market value of the property before the easement was in place and the fair market value of the property after the easement was conveyed to the Land Trust (if the before-and-after approach was used),
- Whether the easement was required by any contract, permit, or government approval,
- A description of any interest in any nearby land held by the donor or a related person.

For easements valued at more than \$500,000, a copy of the entire appraisal must be included with the tax return.

Obtaining the Open Land Trust's signature

The Open Land Trust will review the landowner's 8283 after the land owner / donor and the appraiser have completed the appropriate sections and attached the supplemental statement. The Land Trust may then

complete its portion of the form and return it for attachment to the donor's tax return. The Open Land Trust also requests that donors provide the Land Trust with a copy of the appraisal for the Land Trust's files. The final appraisal should also reference the signed copy of the final conservation easement.

Additional information

In addition to the detailed instructions for Form 8283, the Internal Revenue Service has a number of publications that provide information related to claiming a charitable contribution for the donation of a conservation easement. See IRS Publication 526, *Charitable Contributions* and IRS Publication 561, *Determining the Value of Donated Property*. These publications are available on the internet at www.irs.gov and from the Internal Revenue Service.

As with other aspects of donating an easement, the Open Land Trust highly recommends that all easement donors obtain professional advice from a knowledgeable attorney, accountant, or other financial advisor before completing their tax returns.