



Gifts of Land

Donating to the Land Conservancy

Gifts of land are a great way for landowners and the Land Conservancy to work together to achieve shared goals and help protect the valuable natural resources of the region. For example, if your land contains significant conservation value, such as mature forested habitat, high quality wetland resources or prime agricultural soils, your donation will begin a process by which the land may be forever conserved to protect those values. If, however, your land lacks high quality conservation values, your donation could still benefit the Land Conservancy because the land can be sold by the Land Conservancy at its fair market value, thereby generating funds that can be used to advance the Land Conservancy's mission! Generally, a donation of land can take three forms: (1) an outright donation of the land during your lifetime; (2) a donation upon death through your will or trust; or (3) a retained life estate. Each are explained in more detail below. Whichever form of donation you choose, donating your land to the Land Conservancy is an excellent opportunity to make a meaningful charitable gift and to create a lasting legacy, and it may provide you with significant tax savings, if done properly. If you are considering donating your land, a member of the Land Conservancy's staff will meet with you and your advisors to better understand your goals and interests regarding the future of your land.

Option 1 - Outright Donation During Lifetime

With an outright donation during your lifetime, you work with the Land Conservancy to gift your land by transferring all rights of ownership and possession as of the date of the donation. An outright donation of your land during your lifetime provides an immediate benefit to the Land Conservancy and may provide you with a useful tax benefit. Specifically, if you have owned your land for more than one year, you may be able to claim a federal income tax deduction for the fair market value of the donated land. Generally, such a donation will enable the donor to deduct up to 30% of their Adjusted Gross Income (AGI) for up to six years or until the entire value of the donation is realized. In addition to the federal income tax deduction, you may also be able to avoid capital gains tax on the land by donating it to the Land Conservancy. Finally, since the land is donated during your lifetime it will not be included in the valuation of your estate at death and, therefore, could potentially reduce any estate tax liabilities. Prior to making your gift of land during your lifetime, we recommend that you work with your tax and/or legal advisors to ensure that you take the appropriate steps to ensure that you can realize your charitable goals while also maximizing any tax and other financial benefits that may result from your donation.

Option 2 - Donating Your Property Through a Will or Trust

If you'd prefer, instead of making a gift of your land during your lifetime, you can hold off and enjoy the full ownership and benefit of your land and arrange for the gift to be made after your death through a charitable bequest in your Will or Trust. A charitable bequest allows for maximum flexibility during your lifetime, with the opportunity to make a meaningful gift to the Land Conservancy upon your death. You continue to own and enjoy your property during your lifetime, while providing future support to the Land Conservancy's mission. If you are interested in making an estate gift of your land, Land Conservancy staff can work with you and your advisors to help craft language to be placed in your estate documents to help ensure that your intent is appropriately documented. Sharing your bequest intention affords the Land Conservancy the opportunity to celebrate you and your gift during your lifetime in a meaningful way, if you'd like. While a bequest of your property would not provide you with any income tax benefits, the value of your donated property would be removed from your gross estate and capital gain taxes could be avoided.



Option 3 - Donating Your Property and Retaining a Life Estate

Finally, you can gift the land using a retained life estate, which is essentially a combination of the first two options. In a retained life estate you donate the land during your lifetime but retain the right to occupy and use the land until your death. You can continue living in or using your home, vacation home, or farm while making an immediate, tax deductible gift of the land to the Land Conservancy.

How it Works—Completing Your Donation

Regardless of which option you choose for donating your land, as a first step, you or your representative will enter into a Property Donation Agreement with the Land Conservancy. This agreement will lay out important information about your gift, including an exact description of the land you are donating, when the donation is intended to be completed, and any other terms specific to how the donation is being made. Because the transfer of land usually involves certain unavoidable costs and expenses, the donor is asked to pay the costs and expenses directly or to make a monetary contribution to the Land Conservancy sufficient to cover those costs. In the event your land contains resources with high conservation value and you request that the Land Conservancy retain and manage the land long-term, you will be required to make a monetary contribution sufficient to endow the long-term ownership and management of the land.

Prior to accepting the donation of your land, the Land Conservancy will evaluate the physical and legal condition of the property. Specifically, we will evaluate the condition of title, the natural resource values and whether there are any potential environmental or other legal risks that would prevent acceptance of your donation. Assuming the land meets the Land Conservancy's conditions for acceptance, the gift will be completed as described in the Property Donation Agreement. If you choose to make an outright donation of your land, you will then deed title and possession of the land over to the Land Conservancy. In the event you make a retained life estate gift, you will deed title to the land and retain possession until the end of the life estate term. It is important to note that in a retained life estate donation, you retain the obligation to pay property taxes, keep the property insured, and generally maintain the land and buildings in good condition until the end of the life estate term.

If you intend to take a charitable tax deduction for the donation of your land, you will need to obtain an appraisal from a qualified appraiser substantiating your charitable gift to the IRS. A copy of the completed appraisal must be provided to the Land Conservancy along with any documents the Land Conservancy is requested to sign acknowledging the gift.

If you are considering a donation of land to the Land Conservancy there are several options available depending upon your specific circumstances and charitable goals. If you'd like to discuss these options further, please reach out to the Land Conservancy and we will gladly work with you and your advisors to determine how to best achieve those goals!

NOTE: Any information contained herein relating to tax treatment or other transactional details is strictly informational and is not written or intended to be relied upon, and cannot be relied upon, by any party as legal or tax advice. It is essential that landowners consult with their own legal and financial advisors to determine the impact on their individual situation.