Partnership for Conservation Commends New IRS Notice, Calls for Further Revisions on Conservation Easement Donations

In response to yesterday’s announcement (Notice 2017-29) by the Internal Revenue Service (IRS) amending previously issued guidance (Notice 2017-10) that designated certain conservation easement donations by pass-through entities as listed transactions, the Partnership for Conservation (P4C) issued the following statement. It should be attributed to Randy Bampfield, co-chair of P4C’s legal committee.

“This decision is a step in the right direction for those who care about conserving our country’s land, natural resources and wildlife habitat. We are pleased to see the IRS responded to the many landowners, leaders of nonprofit land trusts and other conservation professionals who spoke out to explain the vital role that privately funded conservation easement donations play in advancing needed preservation efforts. Thanks to yesterday’s revisions, land trusts will not be considered material advisors to these charitable contributions, and landowners who donated conservation easements won a few extra months to complete the burdensome and duplicative paperwork requirements imposed by the IRS.”

“However, the IRS needs to go further by suspending the underlying Notice. It unfairly labels these already highly disclosed charitable contributions as “tax avoidance transactions.” In reality, these easement donations allow ecologically valuable land to be conserved permanently and cost the government less than purchasing and managing the land with federal or state funds. Such private funding sources will be required to finance new conservation projects in an era of strained government coffers.”

“To the extent that there are ongoing concerns about over-valuation of conservation easement donations, P4C stands ready to work with Congress, the IRS and other conservation stakeholders to replace both Notices with meaningful solutions that do not exclude legitimate funding sources. P4C thanks the many lawmakers who supported our position and urged the IRS to reconsider. Our organization will continue working to ensure the integrity of conservation easement donations and the accompanying tax deductions created by Congress.”

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The Partnership for Conservation (P4C) is a national conservation group that advocates for the interests and rights of land conservation donors and land trusts, while also promoting best practices for conservation easement donations. Recognizing that government alone cannot shoulder the financial burden of conservation, P4C is working to ensure the long-term availability and integrity of conservation easement donations. Our members include representatives from the entire conservation easement ecosystem, including individuals, private companies, land trusts, sportsmen’s organizations, and conservation groups. More information at www.partnershipforconservation.org.