

The Piedmont Environmental Council,
founded in 1972, is a non-profit membership
organization dedicated to promoting and
protecting the Virginia Piedmont's natural
resources, rural economy, history and beauty.
PEC serves nine counties, including Loudoun,
Fauquier, Clarke, Rappahannock, Culpeper,
Madison, Greene, Orange and Albemarle.

Protecting Your Land With A Conservation Easement



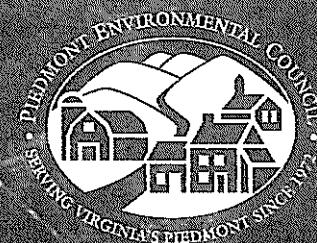
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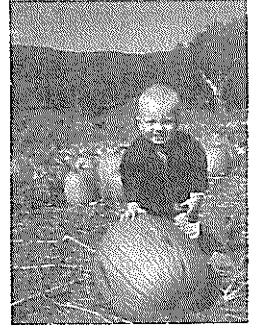
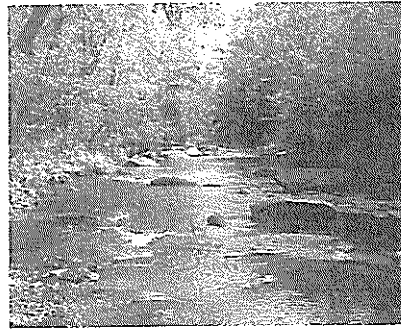
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There are some things we just can't afford to lose...

Virginia's Piedmont is a unique place of exceptional natural resources, productive farms and forests, and a landscape steeped in history. Piedmont farms and forests are vital to the financial well-being of the state's economy and each year hundreds of thousands of tourists come to experience our natural wonders and historic heritage. But, Virginia's Piedmont also happens to be located between some of the most rapidly growing areas of the country. Residential sprawl has radiated outward from Washington, D.C. and other urban centers in Virginia at a tremendous pace. The very resources that define this beautiful region are under threat.

The good news is that you can do something to ensure that the beauty and abundance of the Piedmont will endure, not just for your children, but for your grandchildren and the generations to follow. You can permanently protect your land through the gift of a conservation easement.

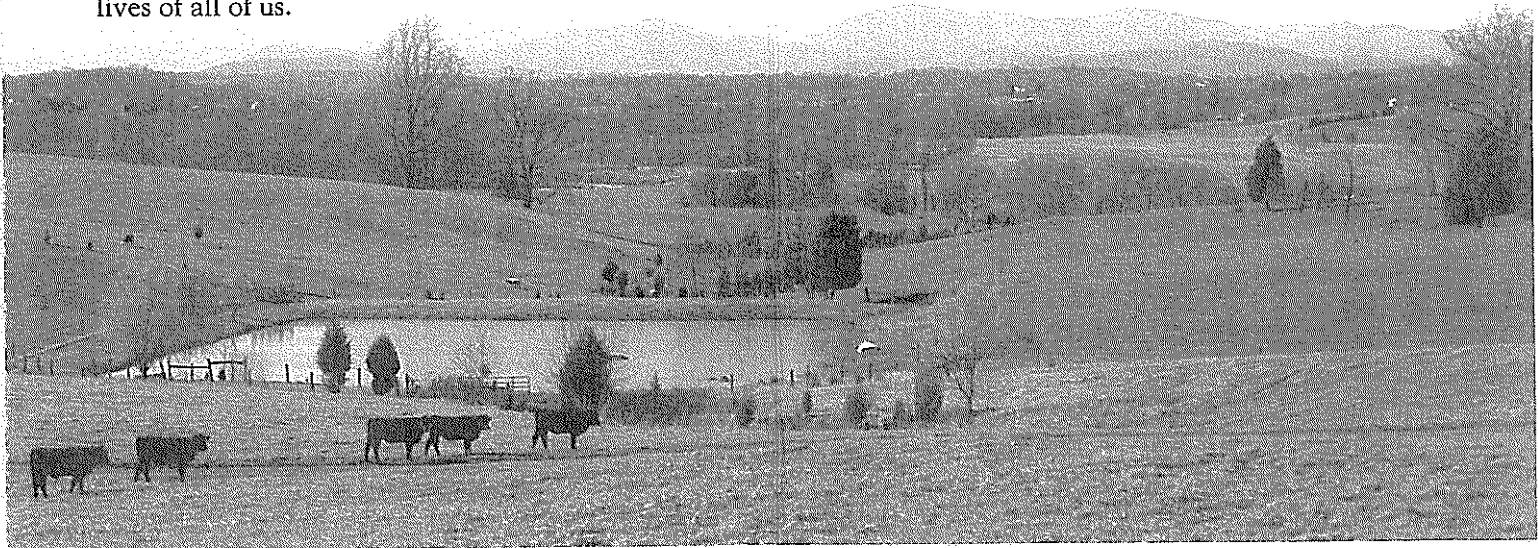
The Piedmont Environmental Council (PEC) has helped landowners permanently protect over 250,000 acres of rural or natural land. Your gift of an easement will help ensure that the Virginia Piedmont is always characterized by its open spaces, beautiful vistas, healthy environment, and cultural heritage—things that deeply enhance the lives of all of us.



What Is A Conservation Easement?

A conservation easement is a land preservation agreement between a landowner and a governmental or non-profit conservation organization that places permanent limits on the future development of a property, in order to protect the conservation values of the land. The easement may also specifically protect natural, scenic or historic features of the property.

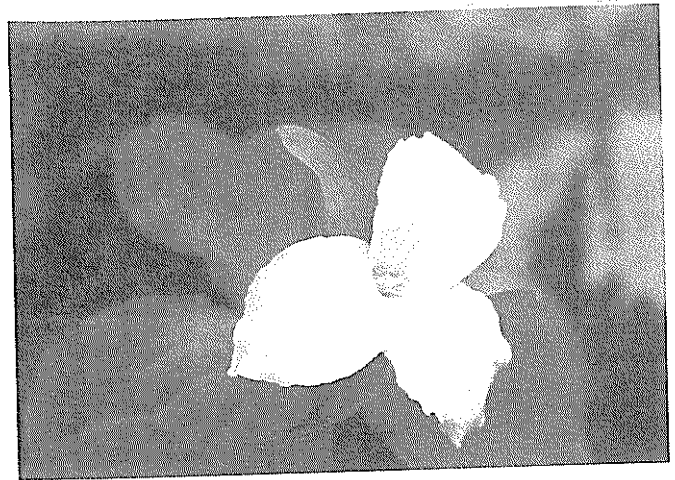
Each easement is unique. The easement terms are negotiated between the landowner and the land conservation organization. Except for rights explicitly given up in the agreement, the landowner continues to own, use and control the land. The landowner can still decide who has access to the property and for what purpose, just as before.



Why Should I Donate A Conservation Easement? What Are The Benefits?

An easement will protect the land you love forever, preserving family farms, wildlife habitat, streams, open space, woodlands, and scenic vistas. Landowners who donate conservation easements are making a difference in their communities. Along with protecting views we all enjoy and important natural resources such as our region's drinking water supply, these landowners are ensuring that the resources on their property will remain available for the use of future generations. Land conservation also means that local taxpayers will never have to pay for the expensive public services a new rural residential development would have demanded – services such as schools, roads, police, fire, and rescue. In addition, an easement donation can motivate a landowner's neighbors to do the same, ultimately leading to the protection of larger landscapes in the local community and county.

While people donate easements because of their love of the land and their desire to see it protected in perpetuity, there are also significant tax incentives associated with a donation. For many easement donors, this translates into substantial savings on their federal, state, estate, and local property tax bills.



Tax Incentives

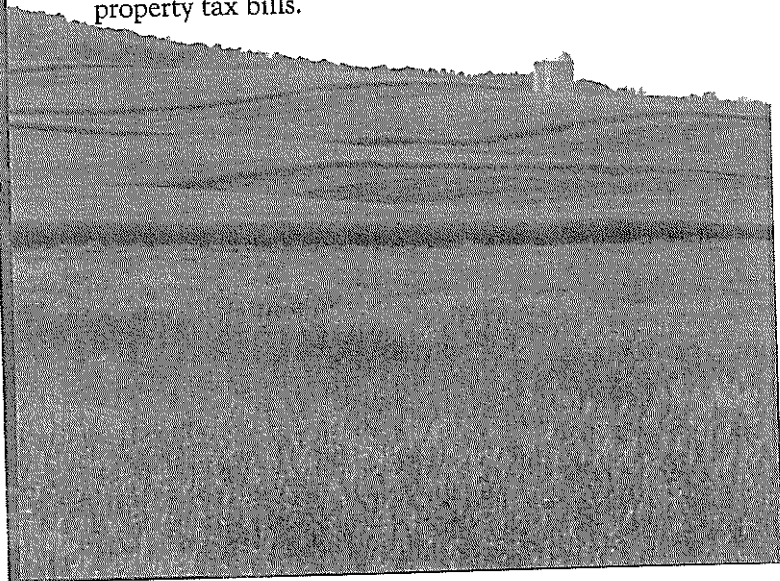
PEC is providing the following summary of the tax benefits of conservation easements for informational purposes only. Please consult your attorney and/or accountant for professional advice.

Income Tax Deductions –

The gift of a conservation easement that meets federal tax code requirements is considered a charitable deduction, and the value of the easement can be deducted, within certain limits, from the donor's income. A qualified appraiser will calculate the value of the easement by assessing the value of the donor's land before the easement is given, then subtracting the value of the land after the easement is donated. As a result of new legislation, easements donated in 2006 and 2007 can be deducted at the rate of 50% of the donor's adjusted gross income per year and the unused portion of the gift may be carried forward for an additional fifteen years or until value of the donation is fully expended. This expansion on the rate of deduction is particularly helpful to those landowners who do not have a large taxable income. Farmers who receive more than 50% of their income from agricultural activities can deduct up to 100% of their income.

Cover photo: Ken Garrett

Contributing photos: John Rice, Rose Jenkins, Dan Holmes, Mike DeHart, Mike Parr, Gray Coyner.



State Income Tax Credit –

When a landowner permanently preserves their property, he or she may also be eligible to receive a Virginia income tax credit of 50% of the value of the restriction. The landowner may use the credit to offset taxes owed and sell any unused portions of the credit to other Virginia taxpayers for 6 years or until credits are fully expended. Because the tax credit can be sold to other Virginia taxpayers, this benefit is particularly useful for people who do not have large taxable incomes.

For easement donations made after January 1, 2007 the Virginia income tax credit is only 40% of the value of the donated interest, but the credit can be claimed in the year of the donation and carried forward for an additional 10 years.

Estate Tax Benefits –

Estate taxes can make it difficult for landowners to pass land on to their children. Heirs may be forced to sell all or part of their land in order to meet their tax obligations. This is because estate taxes owed can represent a significant percentage of the value of the property.

An easement can significantly lower estate taxes in two ways: (1) since the easement reduces the value of the property, the estate taxes will be lower; and (2) under the American Farm and Ranch Protection Act, if a landowner donates an easement, his or her heirs can exclude up to 40% (capped at \$500,000) of the remaining value of the land from the estate taxes owed.

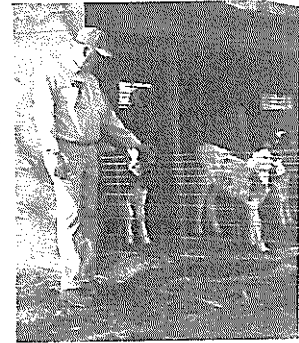
Property Tax benefits –

In Virginia counties where use value taxation is in place, land subject to a conservation easement is usually entitled to taxation at use value rates.



Who Accepts Conservation Easements?

In Virginia, easements can be donated to a number of public and private entities. The vast majority of conservation easements are donated to the Virginia Outdoors Foundation (VOF), a state agency established by the Virginia General Assembly to hold easements in public trust. In special cases, the Virginia Department of Historic Resources and the National Park Service may also accept easements. Additionally, easements can be held by certain qualified non-profit conservation organizations. While PEC can legally accept and hold easements, we strongly urge landowners to donate their easements to VOF -- state-held easements offer a greater level of protection than easements held by private organizations. PEC does, however, work closely with landowners to help them evaluate their decision to donate.



How Do I Donate A Conservation Easement?

The first step in donating an easement is to contact PEC. PEC's knowledgeable conservation staff can guide you through the easement donation process and provide you with up-to-date information on tax incentives. We are happy to meet with you and your family to discuss your land conservation options. You should also contact a lawyer and a financial advisor to understand how an easement could help you with tax savings and estate planning.

For further information about the donation of easements, please contact our Land Conservation Program at 540-347-2334 ext. 25 or email landconservation@pecva.org



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