



# NEW RIVER LAND TRUST

*“Conserving farmlands, forests, open spaces and historic places in Virginia’s New River region.”*

## SIMPLIFIED EASEMENT WORKSHEET

This worksheet will help you compute how a conservation easement might generate cash and tax savings for you. **You will want more exact numbers from an appraiser and your accountant before making any final decisions. Call John Eustis (540) 951-1704 with general questions.**

### STATE TAX CREDIT

LAND’S HIGHEST VALUE BEFORE EASEMENT: \$ \_\_\_\_\_  
**minus**  
 VALUE AFTER EASEMENT: \$ \_\_\_\_\_

VALUE OF CONSERVATION EASEMENT: \$ \_\_\_\_\_\*\*  
 [Difference between before and after values, usually 20-50% of current property value]

#### AMOUNT OF VIRGINIA TAX CREDIT:

Beginning January 1, 2007, Virginia allows you a tax credit worth 40% of the value of your conservation easement.

40% X \$ \_\_\_\_\_ \*\* [conservation easement] = \$ \_\_\_\_\_ ^ [tax credit]

#### CASH VALUE OF VIRGINIA TAX CREDIT:

Tax credits can be sold to taxpayers with large tax bills for 88-90 cents on the dollar or . (Note **facilitators generally charge 6% fee**)

88-90% X \$ \_\_\_\_\_ ^ [tax credit] = \$ \_\_\_\_\_ cash

**\*\*There is a 5% fee paid to VA Dept. of Tax for transferring credits (sold or gifted)**

### FEDERAL AND STATE TAX DEDUCTIONS

You can deduct 50% of your adjusted gross income from your federal income taxes up to 60% of your easement value (the IRS calculates the deductible value by subtracting the amount of state tax credits received). These deductions can be stretched over 16 years or until you reach 60% of your donation (easement value).

### ESTATE TAXES

If you are facing estate taxes, you can dramatically reduce your estate taxes through a conservation easement. The easement can [1] lower the value of your property and [2] exempt 40 percent of the remaining value of that property from inheritance taxes up to \$500,000.

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