

Also, IRS instructions say: “describe the easement terms in detail, or attach a copy of the easement deed.”

- **Item 5(c) “Appraised fair market value.”** Entry here should match the figure appearing in appraisal regardless of price paid in any bargain sale, unless there’s an adequate accompanying explanation.

If a CE appraisal w/ “contiguous” property and/or enhancement adjustment doesn’t clearly identify the true *FMV* of the CE as explained in “Appraisal” sect. above, you may instead see entered at Item 5(c) the *deduction* amount for the CE. The savvy taxpayer and/or advisor would attach a statement as to why. However, the lack of such an explanation shouldn’t be a major concern to us as long as: a) the figure in Item 5(c) matches the deduction value appearing in the appraisal; and b) the appraisal meets our other review standards above.

If a CE appraisal with an enhancement adjustment *does* clearly identify the FMV of the CE prior to any subtraction of enhancement to generate the deduction amount, , the figure in 5(c) should be the FMV from the appraisal. If instead the donor has mistakenly entered the deduction value at 5(c), this is not of concern to us as long as the figure there is consistent with what appears in the appraisal. However, pointing out the FMV figure in the appraisal may be of service to the donor.

- **Items 5(d) “Date acquired by donor,” 5(e) “How acquired by donor,” and 5(f) “Donor’s cost or adjusted basis.”** For CE, IRS asks for clarification whether entries are for CE or underlying fee. Although we’re not in position to judge veracity of such data, we need to verify that entries have been made, in part because these may help us evaluate possible existence of a problematic gift by a syndicate.
- **Item 5(g), “For bargain sales...amount received.”** This should be donor’s sale price (plus, in very rare cases, amount we might pay for donor’s IRS appraisal). In bargain sale, actual deduction amount is *not* shown on Form 8283, but instead, on Form 1040, Schedule A “Itemized Deductions.” Since we don’t receive a copy of Schedule A, we won’t know what the donor finally claims as a deduction.

Item 5(b) “summary of the overall physical condition” relates only to personal property and should be left blank. Also, items 5(h) “Amount claimed as a deduction” and 5(i) “Date of contribution” should be left blank, as these apply only if no appraisal is needed. If donor mistakenly gives these data, we don’t care UNLESS info is wrong, in which case we’d at least want to let donor know of our concern.

Part III “Declaration of Appraiser”

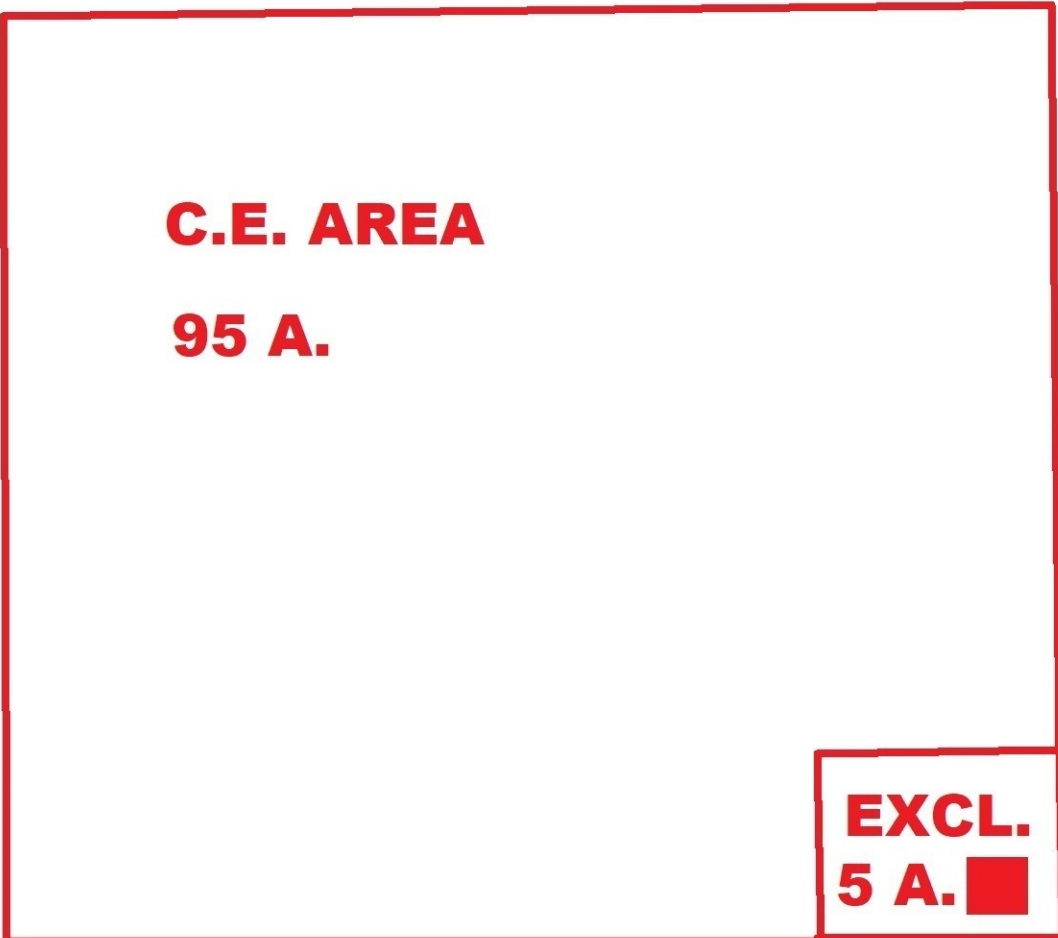
- **Name, address, identifying number, & signature of appraiser.** The IRS is not clear about what it’s looking for after “Date,” but date of appraiser’s signature on the Form is suspected to be what’s intended. If appraiser hasn’t yet completed this section, we shouldn’t sign Form until this has been done.

Part IV “Donee Acknowledgment”

Blank for date we received property should be either date of recording for CE, or date of delivery for fee.

Regarding question about unrelated use, Atty. Tom Masland has advised us not to reply (i.e. leave both boxes unchecked) under belief this applies only to personal, not real, property.

SCENARIO #1--CONTIGUOUS PROPERTY, OBVIOUS ADJACENCY



RED OWNS 95 AC. C.E. AREA & 5 AC. EXCLUSION W/ HOME

**FOR A DONATED C.E., WHAT'S THE APPRAISAL
ASSIGNMENT & HOW TO DO IT?**

SCENARIO #1--CONTIGUOUS PROPERTY, OBVIOUS ADJACENCY

C.E. AREA

95 A.

**EXCL.
5 A. ■**

RED OWNS 95 AC. C.E. AREA & 5 AC. EXCLUSION W/ HOME

**FOR A DONATED C.E., WHAT'S THE APPRAISAL
ASSIGNMENT & HOW TO DO IT?**

**FMV OF C.E. PER IRS RULE &
AS REQD. BY FORM 8283 ITEM 5(C) ("APPRAISED FMV") & ACCREDITATION
STDS. ("FMV OF DONATION THAT MATCHES APPRAISED VALUE") SUGGESTING:**

FMV OF 95 AC. BEFORE C.E. = 80

-- FMV OF 95 AC. AFTER C.E. = 50

FMV OF C.E. = 30

**& DEDUCTION VALUE OF C.E. PER IRS "CONTIGUOUS PROPERTY" RULE B/C LANDOWNER
NEEDS THAT FOR CLAIMING DEDUCTION EVEN THOUGH NOT ON FORM 8283**

FMV OF 100 AC. BEFORE C.E. = 305

-- FMV OF 100 AC. AFTER C.E. = 280

DEDUCTION VALUE OF C.E. = 25

**ALTHOUGH MOST APPRAISERS ONLY PREPARE DEDUCTION VALUE & MOST
8283s SHOW DEDUCTION VALUE AT ITEM 5(C), THIS DOESN'T APPEAR TO BE A
PROBLEM FOR IRS OR LTA, AT LEAST TO DATE... **TAXPAYER TRANSPARENCY IS KEY!****

SCENARIO #2--CONTIGUOUS PROPERTY, OTHER FORMS OF OWNERSHIP

C.E. AREA

95 A.

**EXCL.
5 A. ■**

RED OWNS 95 AC. C.E. AREA & ONE-THIRD UNDIVIDED INT. IN ADJACENT 5 AC. W/ HOUSE (OTHER 2/3 OWNERS ARE NOT "RELATED PERSONS")

**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HOW TO APPRAISE DEDUCTION VALUE OF C.E.?**

**I.E. DOES 1/3 INT. COUNT AS DONOR'S PROPERTY FOR
PURPOSES OF "CONTIGUOUS PROPERTY" RULE?**

SCENARIO #2--CONTIGUOUS PROPERTY, OTHER FORMS OF OWNERSHIP

**C.E. AREA
95 A.**

**EXCL.
5 A. ■**

RED OWNS 95 AC. C.E. AREA & ONE-THIRD UNDIVIDED INT. IN ADJACENT 5 AC. W/ HOUSE (OTHER 2/3 OWNERS ARE NOT "RELATED PERSONS")

ASSUMING STATUS QUO OF NOT APPRAISING FMV, HOW TO APPRAISE DEDUCTION VALUE OF C.E.?

I.E. DOES 1/3 INT. COUNT AS DONOR'S PROPERTY FOR PURPOSES OF "CONTIGUOUS PROPERTY" RULE?

YES!

**FMV OF 100 AC. (100% 95 AC. + 1/3 OF 5 AC.) BEFORE C.E.
-- FMV OF " " " " " " " " " " AFTER C.E. = DED. FOR C.E.**

SCENARIO #2--CONTIGUOUS PROPERTY, OTHER FORMS OF OWNERSHIP

**C.E. AREA
95 A.**

**EXCL.
5 A. ■**

RED OWNS 95 AC. C.E. AREA & ONE-THIRD UNDIVIDED INT. IN ADJACENT 5 AC. W/ HOUSE (OTHER 2/3 OWNERS ARE RED'S SIBLINGS, I.E. "DONOR'S FAMILY")

**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HOW TO APPRAISE DEDUCTION VALUE OF C.E.?**

SCENARIO #2--CONTIGUOUS PROPERTY, OTHER FORMS OF OWNERSHIP

**C.E. AREA
95 A.**

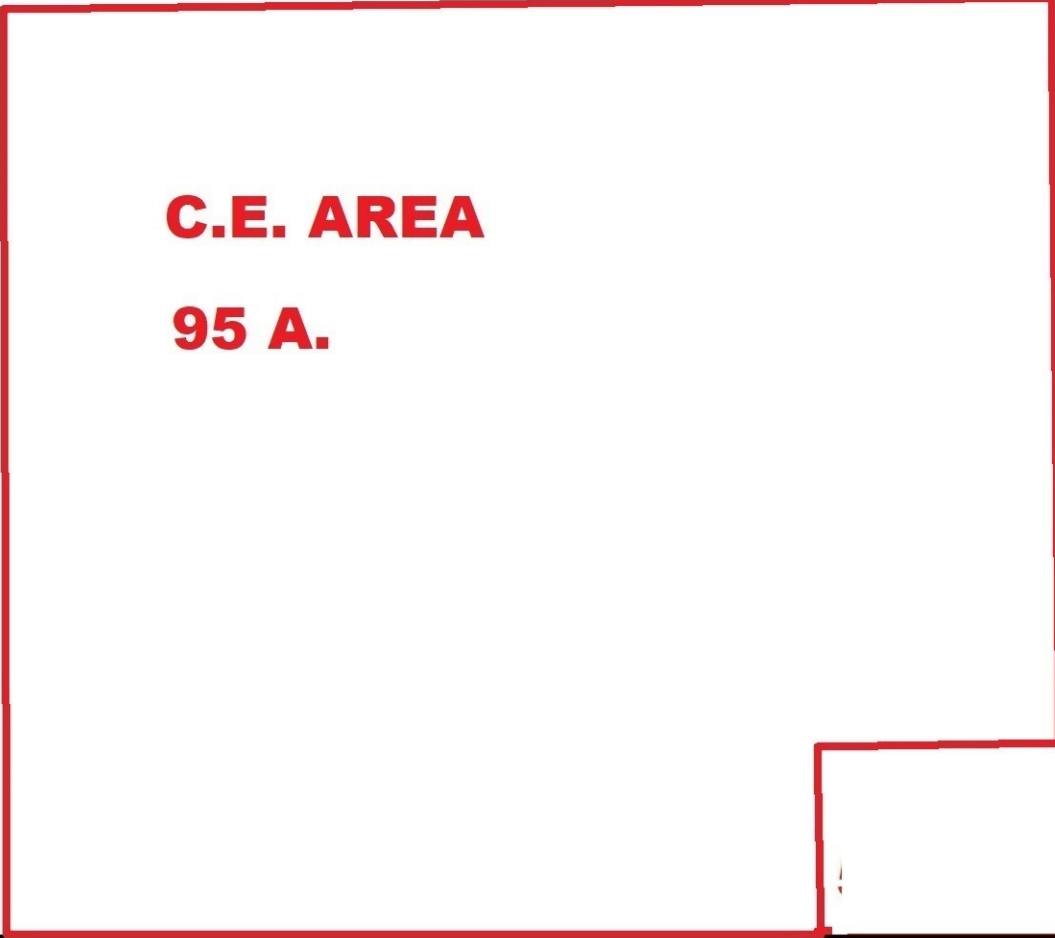
**EXCL.
5 A. ■**

**RED OWNS 95 AC. C.E. AREA & ONE-THIRD UNDIVIDED INT.
IN ADJACENT 5 AC. W/ HOUSE (OTHER 2/3 OWNERS ARE
RED'S SIBLINGS, I.E. "DONOR'S FAMILY")**

**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HOW TO APPRAISE DEDUCTION VALUE OF C.E.?**

**FMV OF 100 AC. BEFORE C.E.
-- FMV OF 100 AC. AFTER C.E. = DED. FOR C.E.**

**SCENARIO #3--CONTIGUOUS PROPERTY, PROPERTY
ACROSS RD.**



C.E. AREA

95 A.

RED OWNS 95 AC. C.E. AREA & 5 AC. W/ HOME ACROSS RD.

**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HOW TO APPRAISE DEDUCTION VALUE OF C.E.?**

**I.E. DOES DONOR'S OWNERSHIP ACROSS RD. COUNT AS
"CONTIGUOUS PROPERTY"?**

**EXCL.
5A. ■**

**SCENARIO #3 --CONTIGUOUS PROPERTY, PROPERTY
ACROSS RD.**

RED OWNS 95 AC. C.E. AREA & 5 AC. W/ HOME ACROSS RD.

C.E. AREA

95 A.

ASSUMING STATUS QUO OF NOT APPRAISING FMV,

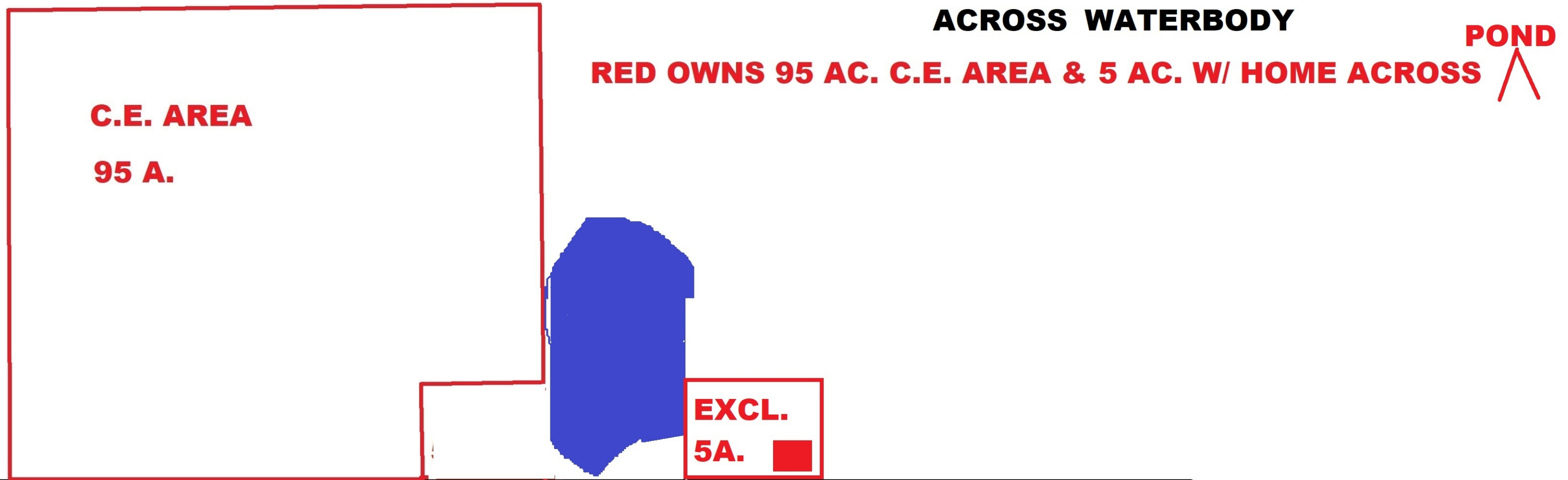
HOW TO APPRAISE DEDUCTION VALUE OF C.E.?

**I.E. DOES DONOR'S OWNERSHIP ACROSS RD. COUNT AS
"CONTIGUOUS PROPERTY"?**

EXCL.

5A. ■

**YES, PER STATE GUIDANCE FOR
ADJACENCY, E.G. CURRENT USE
RULE (NO IRS GUIDANCE ON THIS)**

**SCENARIO # 4-CONTIGUOUS PROPERTY, PROPERTY
ACROSS WATERBODY**

**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HOW TO APPRAISE DEDUCTION VALUE OF C.E.?**

**DOES DONOR'S OWNERSHIP ACROSS POND COUNT FOR
"CONTIGUOUS PROPERTY" RULE?**

**SCENARIO # 4-CONTIGUOUS PROPERTY, PROPERTY
ACROSS WATERBODY**

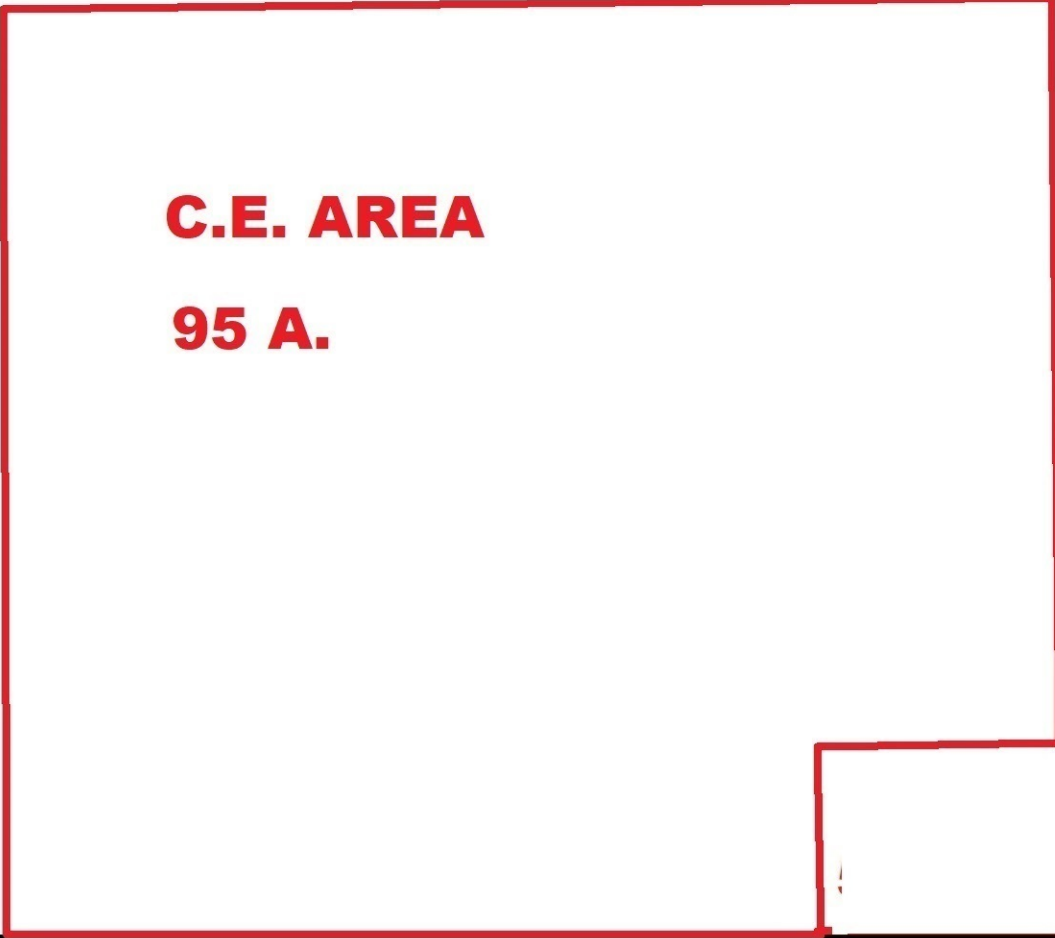
**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HOW TO APPRAISE DEDUCTION VALUE OF C.E.?**

**DOES DONOR'S OWNERSHIP ACROSS POND COUNT FOR
"CONTIGUOUS PROPERTY" RULE?**

PROBABLY YES, DO BEFORE & AFTER ANALYSIS ON 100 AC.

**WHAT ABOUT ACROSS A NAVIGABLE RIVER, OR A LAKE, OR...?
IT MAY DEPEND...**

**SCENARIO #5--CONTIGUOUS PROPERTY, PROPERTY
CONTIGUOUS TO CONTIGUOUS PROPERTY**



**RED OWNS 95 AC. C.E. AREA & 5 AC. W/ HOME ACROSS RD.
& ADDITIONAL PARCEL TO SOUTH OF & ABUTTING
EXCLUDED AREA WITH HOME**

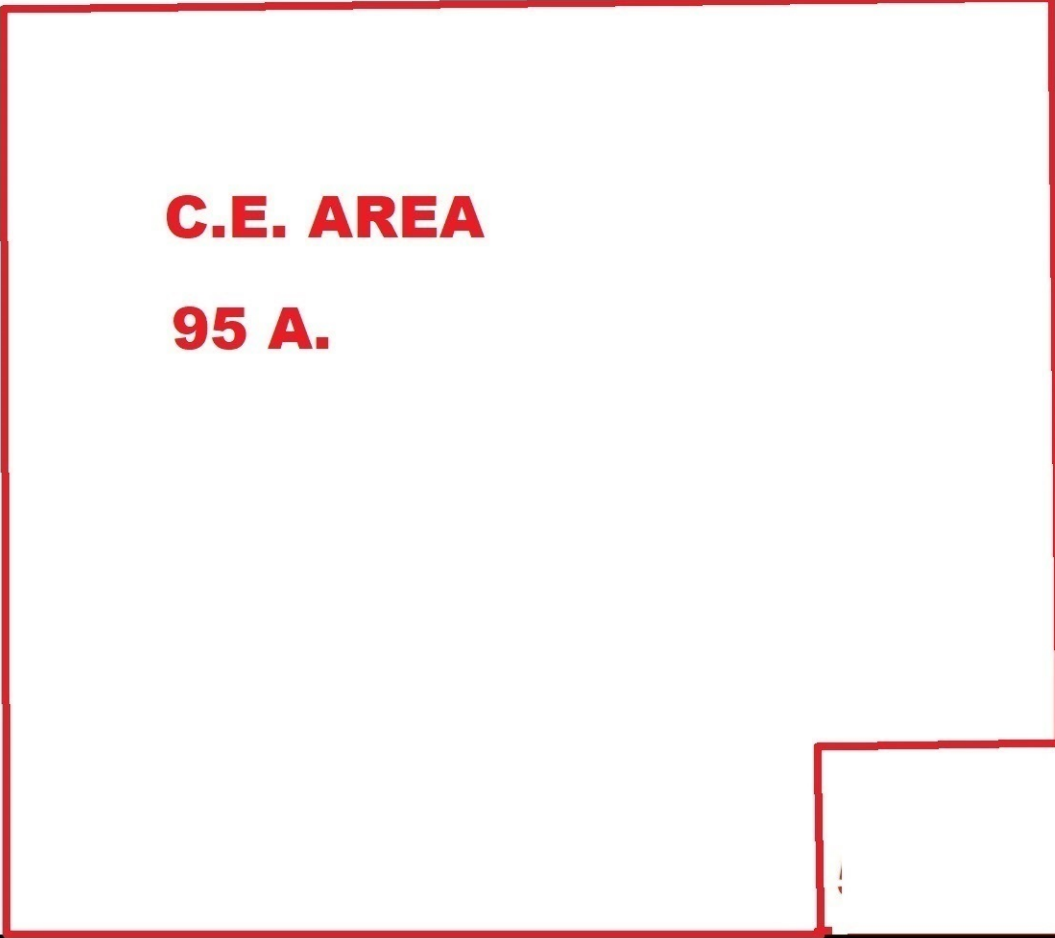
**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HOW TO APPRAISE DEDUCTION VALUE OF C.E.?**

**I.E. DOES DONOR'S S'LYMOST PROPERTY COUNT AS
"CONTIGUOUS PROPERTY"?**

**EXCL.
5A. ■**

**SEPARATE PARCEL
ALSO OWNED BY
RED**

**SCENARIO #5--CONTIGUOUS PROPERTY, PROPERTY
CONTIGUOUS TO CONTIGUOUS PROPERTY**



**RED OWNS 95 AC. C.E. AREA & 5 AC. W/ HOME ACROSS RD.
& ADDITIONAL PARCEL TO SOUTH OF & ABUTTING
EXCLUDED AREA WITH HOME**

**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HOW TO APPRAISE DEDUCTION VALUE OF C.E.?
I.E. DOES DONOR'S S'LYMOST PROPERTY COUNT AS
"CONTIGUOUS PROPERTY"?**

**EXCL.
5A. ■**

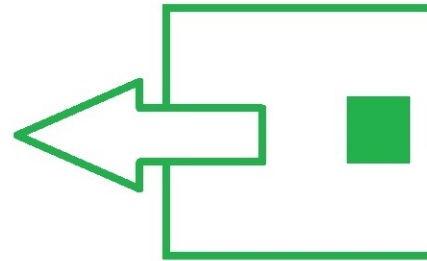
**SEPARATE PARCEL
ALSO OWNED BY
RED**

PROBABLY YES...

SCENARIO #6--OBVIOUS ENHANCEMENT

C.E. AREA/HAYFIELD
95 A.

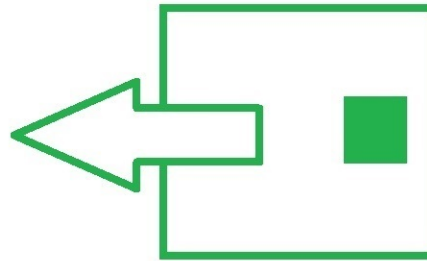
**RED OWNS 95 AC. C.E. AREA/HAYFIELD & RED'S
SISTER OWNS NON-CONTIGUOUS PROPERTY
WITH HOME ON HILL & GREAT VIEWS ACROSS
FIELD**



**WHAT'S APPRAISAL ASSIGNMENT FOR DONATED C.E.,
& HOW TO DO IT?**

SCENARIO #6--OBVIOUS ENHANCEMENT**C.E. AREA/HAYFIELD****95 A.**

**RED OWNS 95 AC. C.E. AREA/HAYFIELD & RED'S
SISTER OWNS NON-CONTIGUOUS PROPERTY
WITH HOME ON HILL & GREAT VIEWS ACROSS
FIELD**



**WHAT'S APPRAISAL ASSIGNMENT FOR DONATED C.E.,
& HOW TO DO IT?**

- 1. ASSIGNMENT: FMV OF C.E. & AMOUNT OF ANY ENHANCEMENT**
- 2. SISTER IS "DONOR'S FAMILY" THUS "RELATED PERSON" SO HER PROPERTY IS SUBJECT TO ENHANCEMENT CONSIDERATION**
- 3. FMV OF C.E. (FROM SCENARIO #1) 80 BEFORE - 50 AFTER = 30**
- 4. ENHANCEMENT TO SISTER'S PROPERTY DETERMINED TO BE 5**

HOW FAR AWAY FROM C.E. DOES ENHANCEMENT APPLY?

SHOULD APPRAISER CALCULATE DEDUCTION VALUE OF C.E. (30 - 5 = 25) ?

COMPLEXITIES OF WHO'S A "RELATED PERSON"?

**SCENARIO #7--ENHANCEMENT WHERE ONLY
CONTIGUOUS PROPERTY**

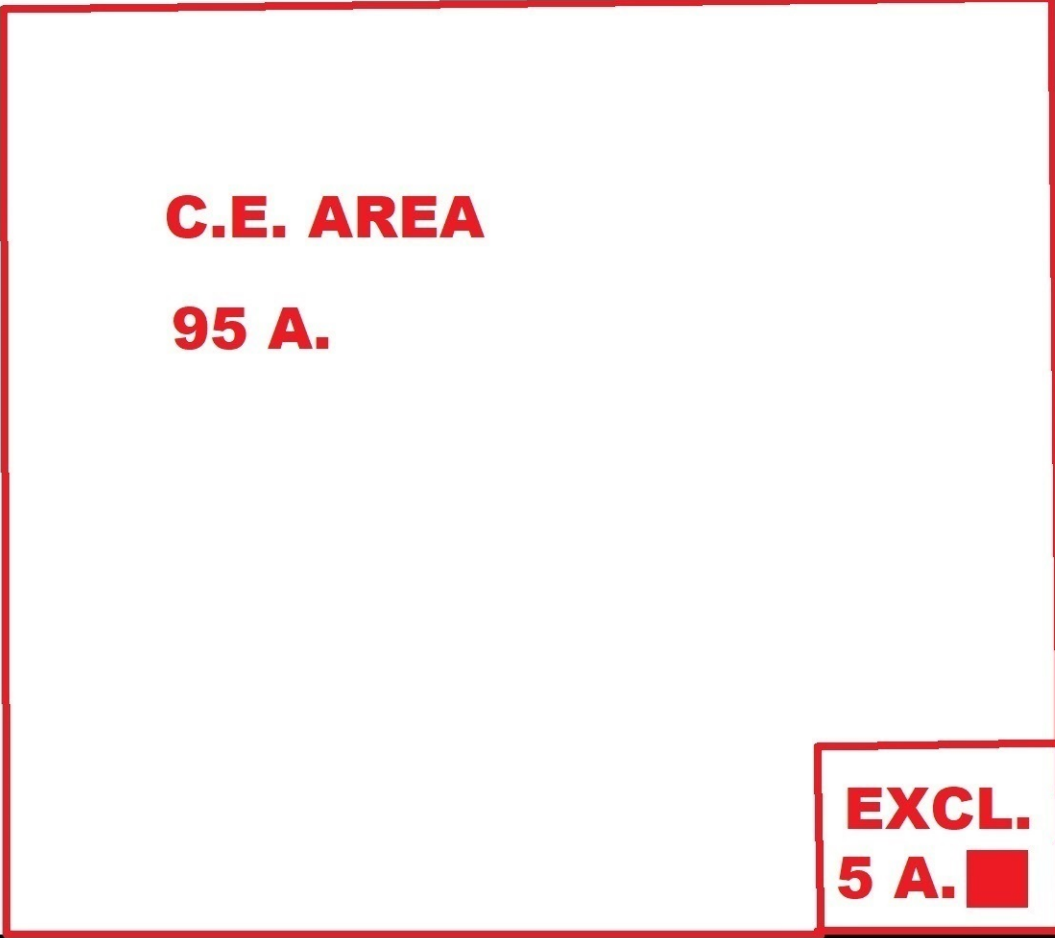
**C.E. AREA
95 A.**

**EXCL.
5 A. ■**

RED OWNS 95 AC. C.E. AREA & 5 AC. EXCLUSION W/ HOME

**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HAS ENHANCEMENT ALREADY BEEN ADDRESSED BY
"BEFORE & AFTER" ANALYSIS HAVING BEEN APPLIED
TO 100 AC. PER "CONTIGUOUS PROPERTY" RULE?**

**SCENARIO #7--ENHANCEMENT WHERE ONLY
CONTIGUOUS PROPERTY**



RED OWNS 95 AC. C.E. AREA & 5 AC. EXCLUSION W/ HOME

**ASSUMING STATUS QUO OF NOT APPRAISING FMV,
HAS ENHANCEMENT ALREADY BEEN ADDRESSED BY
"BEFORE & AFTER" ANALYSIS HAVING BEEN APPLIED
TO 100 AC. PER "CONTIGUOUS PROPERTY" RULE?**

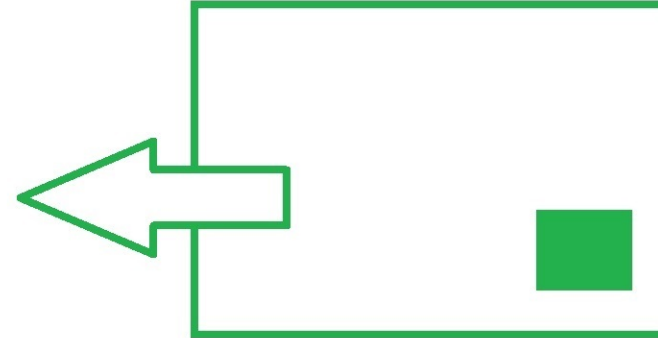
PROBABLY "YES" & APPRAISER SHOULD EXPLAIN SO

SCENARIO # 8--ENHANCEMENT W/ CONTIGUOUS PROPERTY & OTHER ENHANCED PROPERTY

**C.E. AREA /HAYFIELD
95 A.**

**RED OWNS 95 AC. C.E. AREA & 5 AC. EXCLUSION W/ HOME
RED'S SISTER OWNS NON-CONTIGUOUS PROPERTY W/
HOME & GREAT VIEWS ACROSS RED'S FIELD**

**EXCL.
5 A. ■**



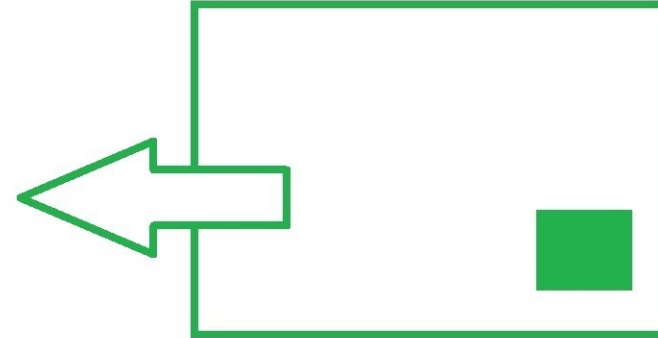
ASSUMING STATUS QUO OF NOT APPRAISING FMV, WHAT IS APPRAISAL ASSIGNMENT & HOW TO DO IT?

**SCENARIO # 8--ENHANCEMENT W/ CONTIGUOUS
PROPERTY & OTHER ENHANCED
PROPERTY**

**C.E. AREA /HAYFIELD
95 A.**

**RED OWNS 95 AC. C.E. AREA & 5 AC. EXCLUSION W/ HOME
RED'S SISTER OWNS NON-CONTIGUOUS PROPERTY W/
HOME & GREAT VIEWS ACROSS RED'S FIELD**

**EXCL.
5 A. ■**



**ASSUMING STATUS QUO OF NOT APPRAISING FMV, WHAT IS APPRAISAL ASSIGNMENT
& HOW TO DO IT?**

- 1. DEDUCTION VALUE OF C.E. W/ CONTIGUOUS PROPERTY, & AMNT. OF ENHANCEMENT TO OTHER PROPERTY**
- 2. SISTER IS "DONOR'S FAMILY" THUS "RELATED PERSON" SO HER PROPERTY IS SUBJECT TO ENHANCEMENT CONSIDERATION**
- 3. DEDUCTION VALUE OF C.E. W/ CONTIGUOUS PROPERTY (FROM SCENARIO #1) =
305 "BEFORE" VALUE FOR 100 AC. - 280 "AFTER" VALUE FOR 100 AC. = 25**
- 4. ENHANCEMENT TO SISTER'S PROPERTY DETERMINED TO BE 5**