

Through this interview with David Braun at the law firm of Braun & Associates, we can offer insights on the benefits of conservation easements to landowners. The firm of Braun & Associates assists the owners of rural land to protect and enhance their land. To learn more, go to www.braunassociateslaw.com.

Q: What is a conservation easement?

A: A conservation easement is a legal agreement between a landowner and a conservation organization (like Guadalupe-Blanco River Trust) that allows a landowner to restrict future uses of the land, and then gives the conservation organization the power to enforce the agreement. The landowner decides how much, if any, future owners can develop the land; and how much protection is given to resources like water quality, natural habitat, agriculture, scenic views and recreational, historical or cultural features.

Q: Why would a landowner donate a conservation easement?

A: Conservation easements are mainly used by landowners who want to ensure that future owners continue respect and conserve the values that they have cherished on the land. Some landowners talk about leaving a legacy or protecting their heritage. Others are actually trying to create value like scenic areas and greenbelts adjacent to new developments. If drafted properly, conservation easements can provide large tax savings for the landowners who donate them.

Q: Could you please explain the how the tax incentives work for the conservation easements?

A: A conservation easement has a value and that value can be deducted from income taxes or subtracted from an estate before estate taxes are due. The value of an easement is determined by how much it restricts future development of land. The more an easement protects natural resources, the more it is worth. The tax savings can be very large. Estate taxes on the land might be reduced 30% - 70%. The landowner's income taxes are reduced by 50% for up to 16 years in some cases. The tax savings I'm describing are only good in 2008 and 2009.

Q: Why are the tax incentives so high in 2008 and 2009?

A: Congress has just passed a two year extension of these tax incentives for conservation easement donations. This two-year extension is retroactive to January 1, 2008. In years past, the income tax savings were only 30% for 6 years. Everyone hopes that Congress will make these larger savings permanent, but only donors of easements in 2008 and 2009 can be sure of getting such large incentives.

Mr. Braun thank you for you time. If you want to learn more about the 2008 Farm Bill please go to: www.gbrtrust.org

The Guadalupe-Blanco River Trust does not provide legal or tax advice. However, the Trust encourages individuals to obtain legal and tax consultation in connection with all charitable land gift and estate planning. The Trust can provide a list of third-party professionals who can provide sound advice regarding giving decisions.