

Conservation Resource Center's Tax Credit Exchange

Save open space and reduce taxes by participating in the Tax Credit Exchange

As a service to the conservation community, The Conservation Resource Center (CRC) provides legislative and policy updates concerning Colorado Conservation Tax Credits and any new programs and policies of CRC's Tax Credit Exchange Program.

Tax Credit Update Topics: **IRS Form 8283 Requirements & House Bill 1361**

August 1, 2007

IRS Form 8283 Requirements

In December of 2006, the IRS issued a new Form 8283 (Noncash Charitable Contributions) and accompanying instructions that set forth the requirements to claim the donation of a conservation easement.

For all conservation easement donations made starting January 1, 2007, the Conservation Resource Center requires donors to complete their Form 8283 subject to these requirements and to utilize the new form (Revised 12/2006).

In an effort to help donors comply with these requirements, we will provide, upon request, a suggested form that may be used as the required attachment for Form 8283. The new IRS Form 8283 and its instructions may be found and downloaded from our website: www.taxcreditexchange.com.

House Bill 1361

This summer, House Bill 1361 was signed by Governor Ritter. In short, the new law imposes some additional requirements on both easement donors and donees to substantiate the state income tax credits claimed by taxpayers. Easement donors as well as the land trusts and government entities accepting the easements will need to file additional information with various state agencies in order to comply with the new law.

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It appears that the Colorado Department of Revenue (DOR) will most likely promulgate the necessary forms that will allow the easement donors to comply with HB 1361. These forms should be available in October of 2007.

As soon as the DOR has made these forms available (again, presumably in October), the CRC will issue another update that includes guidance for the new forms. If the Colorado Department of Revenue does not promulgate forms that fully enable compliance with HB 1361, we will include in the update our suggestions on how to fully comply with HB 1361.

Reminder Regarding CRC's 2007 Tax Credit Exchange Program

Highest Pricing Policy:

In 2007, sellers will receive 83% of the face value of their credits – the second year in a row that we have increased the price. We also assure the most competitive rate of return to our sellers by continually sampling the market to determine the credit pricing of other facilitators and ensure that donors selling credits through the Conservation Resource Center will receive not only the greatest expertise, but also the highest rate of return. We do the work of finding the highest prices, rather than forcing the seller to shop for the highest prices.

Year Round Credit Transfers:

In 2006, we transferred credits from early fall until the following April. Unlike other facilitators, we will transfer credits as early as landowners request us to do so without requiring the landowner to sell at a discount. Landowners can expect to earn the highest price for their credits regardless of when we transfer them. We believe that by offering year-round transfers, CRC's Tax Credit Exchange best serves the financial needs of landowners.

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