



Brewster Conservation Trust

All people benefit from a healthy, scenic, and sustainable environment, and all people can play a part in protecting and preserving it. BCT offers a variety of ways in which you can help.

- Donate your time by volunteering. See our [Volunteer Page](#).
- Donate financially using one of the methods below. Your contribution will go directly toward the acquisition of parcels critically important to the protection of water quality, wildlife habitat, or other natural resources in Brewster.
- Add directly to the conservation inventory of Brewster by donating, selling, or placing conservation restrictions on all or a portion of your property.

DONATING FINANCIALLY

Donate by check

Make check payable to Brewster Conservation Trust and mail it to 36 Red Top Road, Brewster, MA 02631.

Donate by credit card

Donations via credit card may be made by clicking [HERE](#).

Give stock

Gifts of appreciated securities help the Brewster Conservation Trust preserve open space while offering you tax benefits.

Give from an IRA

Eligible donations from your IRA made directly to the Brewster Conservation Trust qualify under the federal IRA Charitable Rollover law, which allows the donation without incurring income tax on the withdrawal.

DONATING PROPERTY

Direct Giving

The simplest way to keep your land in a protected state is to give it to a non-profit conservation organization like Brewster Conservation Trust (BCT). Town, state, and federal governments are also qualified to receive land in this way. A gift ensures long-term protection of the land.

It is necessary only to obtain approval and acceptance from BCT or the organization or agency to which the land will be donated before deeding the land. For a confidential conversation about the prospect of giving land, call Amy Henderson, BCT Executive Director at 508-694-6720.

As a donor, you may be eligible for tax benefits in the form of federal income tax deductions, potential estate tax reduction, and relief from property taxes. A donor is relieved of management responsibilities and automatically absolved of liability associated with any trail use or other activity.

The majority of BCT's protected properties have been received as gifts. In fact, about 80 percent of the properties preserved by land trusts on Cape Cod have been donated and about 30 parcels are donated each year in this manner.

Typically, the only cost to the land donor is for an appraisal, which certifies the value of the donated land for federal income tax deductions. Appraisals are needed when the claimed value of the deduction is more than \$5,000. Land trusts usually ask donors to pay remaining property taxes on the land before it becomes tax exempt in the next fiscal year.

Estate Giving via a Will

A gift of land made through a will entitles the donor to retain full use of the land during his or her lifetime and assures that it will be cared for in the future. It is advisable to discuss the gift with the receiving organization prior to inclusion in a will, to ensure a plan for the care of the land. The donor is responsible for real estate and income taxes for the property during his or her lifetime, but removing the land from an estate will reduce potential inheritance tax for any heirs.

Cape Cod land trusts together typically acquire one property per year by bequest. These properties tend to be large and valuable, often part of a family's estate. In 1993 the Barnstable Land Trust acquired a large coastal woodland fringed with salt marsh through a bequest. The donation lowered the value of the family estate by about \$1 million, enabling the family to retain most of the remaining land rather than selling it for development to pay high inheritance taxes.

Reserved Life Estate

A landowner who gives land with a reserved life estate retains the use of the land during his or her lifetime and the lifetimes of specified family members. A reserved life estate insures that the land is protected in perpetuity, yet allows the donor to reside on it and maintain the land. The tax advantages with a retained life estate are less than those of an outright donation.

As an example, in 1993 a family donated five acres of dune and salt marsh to the Truro Conservation Trust while reserving the right to use the parcel for family boating and beach bathing during their lifetimes. The reserved right

SELLING PROPERTY

Fair Market Value Sale

Sale at fair market value is the sale of property at the price a knowledgeable buyer would pay for the land. If the land is sold at full value and has appreciated in value since its purchase, the seller will be liable for income tax on the capital gain. This can affect the net profit from the sale. No charitable deductions flow from a sale at full value.

Many Cape Cod towns have purchased open space at fair market value, owing to the intense competition for land during the development boom. But land trusts, caught between the high cost of land and their own lack of funds, have almost never paid full value for land.

A notable exception was the BCT purchase of the Windmill Meadows next to Drummer Boy Park for \$145,000, at the peak of a real estate boom in 1988. BCT considered it a strategic purchase, preserving an unobstructed view of Brewster's historic windmill across wildflower and grassland meadow for all to enjoy from busy Route 6A. The seller realized no tax deductions.

Bargain Sale

A sale at less than fair market price — is part donation and part sale to nonprofit organization such as Brewster Conservation Trust or to a government agency. A bargain sale may entitle the seller to a federal income tax deduction for a charitable contribution and also to a reduction in capital gains tax. The value of the federal income tax charitable contribution for the seller equals the difference between the fair market value and the lower negotiated selling price. The net proceeds of a bargain sale, when the tax deduction is taken into account, may come close to the proceeds of a fair market sale.

Capital gains must be calculated on the sale part of the transaction. A gain is recognized if the property is sold for more than its basis (usually, the original cost plus improvements and minus depreciation). For bargain sales, the basis of the property is allocated proportionately between the part sold and the part donated. The income tax charitable deduction from a bargain sale could be greater than the capital gains tax that results from the sale at market value.

Here are some examples of bargain sales:

In 2007, the Brewster Conservation Trust purchased 4.1 acres with 284 feet of pond shoreline for \$62,000. The seller's appraised fair market value was \$80,000. The bargain sale to BCT furthered its Priority Ponds Project to preserve pondfront lands to help protect water quality, wildlife habitat, and recreational values.

In the 1990s, the Truro Conservation Trust purchased six acres of beachfront land for \$200,000, the Orenda Wildlife Land Trust purchased 28 acres of land in Brewster at less than \$5,000 per acre and the Chatham Conservation Foundation purchased 23 acres along Goose Pond for \$382,000. All of these purchases were paid

for through private fundraising. In each case, the seller received substantial tax deductions for selling below

Installment Sale

An installment sale allows a conservation organization to purchase property over a period of years. The use of the land and the responsibility for payment of property taxes until the sale is complete are negotiable terms of the agreement. The seller benefits financially by spreading the income and the taxable gains over several years. The amount of taxable gains depends on whether or not the land is sold at fair market value.

The Bourne Conservation Trust has used this technique successfully to buy many parcels. In a few cases, the sellers arranged financing by “taking back” mortgages, enabling the land trust to raise money and pay off the purchases over time.

PROTECTING PROPERTY

Conservation Restrictions

A conservation restriction, also known as a conservation easement, is a legally binding agreement between a landowner and a qualified nonprofit organization such as the Brewster Conservation Trust (BCT) or a town, state or federal government. The landowner retains title to the property but extinguishes certain development rights in the property.

Conservation restrictions typically restrict dumping, mining, paving and development of houses, while allowing traditional family uses of the property. The restricted land can be sold, but the restriction runs with the land to the new owner.

Tax authorities recognize the fact that the landowner has relinquished a significant portion of the property’s economic value by extinguishing the right to develop the property to the fullest extent. The Internal Revenue Service may grant income tax deductions and estate tax reductions equal to the value of the land given up under a permanent conservation easement. The landowner must get an appraisal of the extinguished value to justify the deduction.

BCT is available to discuss and shepherd the conservation restriction process and to explain potential tax relief, but also recommends that you consult your own tax adviser about any potential tax savings.

Cape Cod towns typically offer property tax reductions to landowners who place conservation easements on their land. The reduction in Brewster can be 85 percent without allowing public access (eg: trail) or 95 percent if public access is allowed. The property tax reduction reflects the diminution in value caused by extinguishing certain development rights such as residential, commercial, recreational or industrial building.

Conservation restrictions have been used effectively on Cape Cod to protect significant parcels of land. To date, more than 5,000 acres have been protected in this manner. Types of land that have been protected by conservation restrictions include salt marshes, barrier beaches, islands, dunes, pine barrens, shrub swamps, meadows, pond shores and freshwater streams.

About a dozen properties are preserved each year on the Cape by conservation restriction. In a recent example on Cape Cod, a 5.5-acre parcel of buildable land was valued at \$295,000 before the conservation restriction was donated and \$85,000 after the restriction. The landowner was entitled to a \$210,000 charitable deduction for federal income tax. The landowner's heirs could also benefit from reduced inheritance tax because the estate's value was lowered. The town reduced the land's assessment by 85 percent as well.

The Brewster Conservation Trust has helped many Brewster landowners protect their properties from development in recent years, as the list of protected properties shows. For example, a Satucket Road landowner has given conservation restrictions to the BCT on some 36 acres in two phases. In 2003, BCT received a conservation restriction that permanently protected waterfront land on Cape Cod Bay. In 2004, BCT received a conservation restriction to preserve nearly 70 acres in the Stony Brook Valley owned by the Cape Cod Museum of Natural History. The Stony Brook Valley conservation restriction not only protects critical wildlife habitat and water resources, but also forever preserves the scenic view enjoyed by so many from historic Route 6A.

Deed Restrictions

Restrictions guiding the future use of property may be placed in the deed at the time the property is transferred. Deed restrictions differ from conservation easements in that there is not a third party that assumes responsibility for monitoring and enforcing the restrictions placed on the land. The seller is responsible for enforcing the restrictions placed on a parcel of land before it is sold. If the seller has placed restrictions in the deed and retains no land nearby, he or she may not be able to enforce the restrictions against the subsequent owners of the land. Under Massachusetts common law, most deed restrictions expire after 30 years.

Deed restrictions will usually affect the market value of the land if they significantly limit development potential. The presence of a restriction may lower the price if the property is sold, or lower the value of the gift if the land is donated to a conservation agency. The IRS does not allow a claim for a loss in value resulting from deed restrictions as a charitable deduction. A donation of land to a conservation agency, in which the agency inserts the deed restrictions, does allow a claim of the full fair market value of the land as a charitable contribution.