



CONSERVATION TAX CREDIT SERVICES



**Conservation
Tax Credit Transfer**
YOUR LAND. YOUR LEGACY. YOUR FUTURE.

EXPERT COMPREHENSIVE SERVICES FOR SELLERS AND BUYERS

Conservation Tax Credit Transfer (CTCT) provides expert services for landowners/sellers who want to obtain and/or sell their tax credits and for qualified buyers who want to purchase these credits. As part of CTCT's service, we thoroughly review all of the easement donation documents and assist with the tax credit application process through the Division of Conservation (DOC).

CTCT takes an integral team approach to reviewing conservation easement transaction documents, before an application is submitted to the DOC. Our team approach includes coordinating and working with the landowner, the easement holder (land trust), the appraiser, advisors representing the landowner and with the DOC. Communication and attention to detail are key to an effective tax credit application process. It is CTCT's preference to be involved in the early stages of the easement transaction to provide the best service and the most efficient process.

Sellers first register to sell a credit through CTCT's registration process. Once the tax credit is approved and the DOC issues the tax credit certificate, we match the credit with a qualified credit buyer or buyers. The seller, buyer, and CTCT execute CTCT's Agreement to Purchase/Sell. Transfers are completed by delivering signed copies of the Agreement and funds from the buyers to the sellers.

Sellers are currently receiving a net 85% return on the amount of tax credit sold. See CTCT's Reference Guide on the next page. Please check with CTCT to confirm the current market rate.

TAX COMPLIANCE SERVICES

As part of our service we assist sellers and buyers with proper tax compliance. CTCT works with you and/or your tax advisor on state and federal tax compliance related to the tax credit and federal deduction from the donation of a conservation easement, including the IRS Form 8283. With the recent passage of HB21-1233 in June 2021, new rules will be created by the DOC and the Department of Revenue to implement the new legislation regarding transferring and using a tax credit. CTCT will be part of the rule making process and will guide you through the new rules.



ASSIGNMENT OF TAX CREDIT SALES PROCEEDS

Landowners may need to utilize their tax credit sales proceeds, or a portion thereof, for the payment of transaction costs related to the conservation easement donation or to pay off loans. CTCT can accommodate the assignment of tax credit sales proceeds with approval from the landowner.

REFERENCE GUIDE

DOC Tax Credit Application Fee: \$2,400

Seller Net Rate of Return: 85%*

CTCT Tax Credit Sale/Transfer Fee: 5%

For conservation easements made on or after January 1, 2021, the tax credit is equal to 90% of the appraised donation value of the conservation easement up to a maximum tax credit of \$5 million, annualized at \$1.5 million.

Example:

Appraised value of donated conservation easement:	\$1,500,000
90% of the appraised donated value:	\$1,350,000
Total Tax Credit Value	\$1,350,000

TAX CREDIT SALE SCENARIO

Seller's Tax Credit Sale Amount:	\$1,350,000
Buyer's Purchase Price:	\$1,215,000 (90% of credit sale amount)
Total Net Proceeds to Seller:	\$1,147,500 (85% of credit amount)
CTCT Transfer fee:	\$67,500 (5% of credit amount paid from purchase price)
Discount to Buyer:	\$135,000 (10% of credit amount)

*Please check with CTCT for the current market rate.



CONTACT

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