

# Conservation Resource Center

*Save open space and reduce taxes*



## Tax Credit Update—2014 Tax Credit Changes, CRC to Pay Application

### Fees!

January 2014

### HB 1183 & SB 221

Happy New Year! With the New Year upon us, the provisions of HB 1183 & SB 221 have taken effect. In this update, we hope to touch on the major ways the new legislation will impact the facilitation of tax credits in 2014 and beyond.

### Fees

It is probably no surprise to anyone that the Tax Credit Certificate (TCC) application fees will be dramatically higher than they have been in the past. Applications for a TCC will be \$4,600 for donations made in 2014. The fee for a Preliminary Advisory Opinion (PAO) will be \$2,300 for the appraisal/valuation piece and \$2,300 for the conservation values piece. If a landowner wishes to obtain a full PAO, the cost is \$4,600.

### Timing

Timing has always been important, but now it is more than ever. The Division of Real Estate (DRE) is offering to credit the full cost of applying for a PAO to the cost of the Tax Credit Certificate Application if the landowner submits the application & fee prior to or on June 1, 2014. Supporting documentation need not be completed by June 1 and can be supplied to DRE upon completion. This essentially allows the landowner to obtain a PAO for free. But, if a landowner would like to complete their easement donation by the end of the year, all supporting documentation should be completed around the beginning of September. Please contact us for full details on the mechanics of submitting applications for the PAO and the TCC.

### Application Process

This year, as in the past, CRC will assist landowners with the TCC application. We will do all the document gathering and review so that landowners can be assured that their application is complete. CRC will work with DRE to address and questions or concerns that may arise during the certification process.

### **NOW THE GOOD NEWS – CRC to Pay Application Fees!**

We realize that the new fees are much higher than in the past and as such, can impose hardship on some landowners working on their conservation easement donations. Therefore, CRC will advance the funds to pay the TCC application fee (or the PAO fee) on behalf of the landowner. We will then simply seek reimbursement (without interest) upon the sale of the tax credits.

### Questions?

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As always, we'd like to point out that the Conservation Resource Center is Colorado's only nonprofit organization that specializes in the transfer of tax credits. As a nonprofit, CRC depends on your referrals of landowners interested in transferring their tax credits. We continue to appreciate your support.