



VALLEY CONSERVATION COUNCIL

Promoting land use that sustains the farms, forests, open spaces, and cultural heritage of the Shenandoah Valley region

Running the Numbers... What will an easement mean for my finances?

Every taxpayer's results will be different. Prices for tax credits sold may vary. We offer these figures as examples only. Please consult with a qualified financial advisor to see how an easement works for your particular situation.

Example 1:

A landowner with an adjusted gross income of \$50,000 donates a \$500,000 easement:

State Tax Credits Registered (40% of easement value)	\$200,000
Tax credits used to pay Virginia income taxes (over 11 years)	\$16,460
Income from tax credits sold to other Virginia tax payers	\$124,807
Savings over 16 years from federal taxes*	\$4,987
Total benefits	\$146,254

Example 2:

A landowner with an adjusted gross income of \$100,000 donates a \$500,000 easement:

State Tax Credits Registered (40% of easement value)	\$200,000
Tax credits used to pay Virginia income taxes (over 11 years)	\$49,731
Income from tax credits sold to other Virginia tax payers	\$102,183
Savings over 9 years from federal taxes*	\$58,010
Total benefits	\$209,924

Example 3:

A landowner with an adjusted gross income of \$200,000 donates a \$500,000 easement:

State Tax Credits Registered (40% of easement value)	\$200,000
Tax credits used to pay Virginia income taxes	\$112,981
Income from tax credits sold to other Virginia tax payers	\$59,173
Savings over 5 years from federal taxes*	\$104,851
Total Benefits	\$277,055

*Because income from selling Virginia tax credits is federally taxable, income levels rise the years these tax credits sold, which increases the federal tax burden in those years and decreases overall federal savings for the easement donation. For more information on how these numbers were calculated, please contact VCC.