



NATION FORD
LAND TRUST

Nation Ford News

The Newsletter of Nation Ford Land Trust

Fall 1998

Using Tax and Estate Planning for Farmland Preservation



James C. Hardin, III

Mr. James C. Hardin, III and his associate, Mr. David Stuart, spoke at a seminar in August on the various options available to property owners who want to preserve their family farms for future generations.

About seventy participants from York and surrounding counties met at York Electric's meeting room to learn more about tax incentives, property easements, and other estate planning options which can be used to help ensure that future generations can keep and use family farms for their intended purpose.



David Stuart

Mr. Hardin is a partner in the South Carolina regional office of Kennedy Covington Lobdell & Hickman, located in Rock Hill, South Carolina. Mr. David Stuart is with the same firm in their Charlotte office.

Tax Planning with a Conservation Easement

A contribution of real property to a charitable organization for a conservation purpose ("qualified conservation easement") is eligible for a charitable deduction for federal estate, gift, or income tax purposes. The *Taxpayer Relief Act of 1997* provided an additional exclusion from estate assets for real property subject to a conservation easement, if the date of the donor's death is after December 31, 1997.

A qualified conservation easement is a contribution of a "qualified real property interest" to a "qualified organization" solely for conservation purposes. The easement can be created during the donor's lifetime, or upon the death of the donor. A qualified real property interest can be (1) the donor's entire interest in real property (other than a qualified mineral interest), (2) a remainder interest in real property, or (3) a perpetual conservation restriction on the use of real property. (Continued on page 2)



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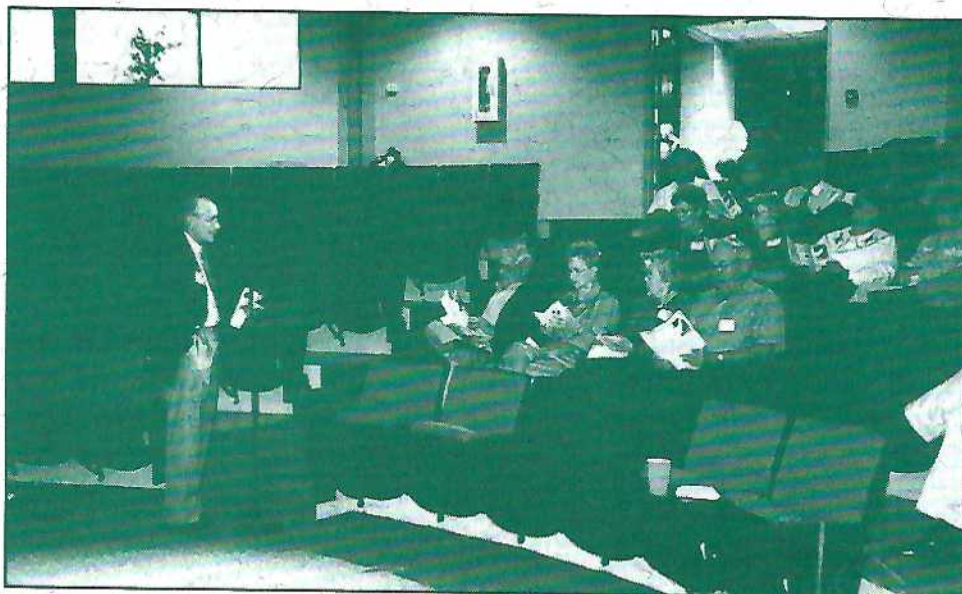
Carol Dixon



Mission Statement

The Nation Ford Land Trust is dedicated to the preservation of open spaces, natural beauty, and the scenic heritage of the York County area. Preserving these qualities will ensure that as our home grows, it retains the qualities that have made it a wonderful place to live, work, and raise a family.

Nation Ford Land Trust Annual Meeting



The Annual Meeting of Nation Ford Land Trust was held October 1 at The Catawba Indian Nation in Rock Hill. Murray White reviews 1997-98 Land Trust accomplishments.

Tax Planning (continued from page 1)

A qualified organization is a charity that (1) is committed to, and has the ability to, protect the conservation purpose of the donation, and/or (2) is organized primarily for a conservation purpose. Examples of a conservation purpose include:

- Preservation of farmland, forests, or open spaces for the public's scenic enjoyment, or for educational or recreational uses.
- Protection of natural habitats (e.g., plants, wildlife, fish).

Charitable Contribution Deduction -- The charitable deduction is based on the difference between the fair market value (FMV) of the real property before the conservation easement, and the FMV after the easement is attached. The value of the property before the conservation easement should consider the property's "highest and best use" (e.g., subdivision of the land). In determining the amount of the charitable deduction (as well as the estate exclusion -- see below), the FMV of the property is reduced by any debt that is secured by the property.

Estate Exclusion -- Beginning in 1998, there is a \$100,000 maximum exclusion for estate tax purposes for a qualified conservation easement, provided at least 30 percent of the FMV of the property is contributed. If the value of the easement is less than 30 percent of the FMV, the maximum exclusion is phased out. If the value of the easement is 10 percent (or less) of the FMV of the property, the estate exclusion equals zero. The maximum exclusion increases \$100,000 per year between 1999 and 2002 (i.e., maximum exclusion will be \$500,000 in 2002).

Upon the death of the donor, the FMV of the property with the conservation easement is multiplied by 40 percent to determine the estate exclusion amount. After December 31, 1997, an executor of a decedent's estate has until the due date of the estate tax return (including extensions) to elect to use the conservation easement exclusion.



Murray White

From the Chairman

The Regional Environmental Summit will present its findings on November 13th at the Baxter Hood Center in Rock Hill. Nation Ford Land Trust was invited to participate in the development of this report.

The Summit will present a good case for sound planning to enable the region to maintain good quality of life aspects as we experience unprecedented growth. Scenarios will be presented that will demonstrate results of growth with good planning as well as scenarios which will give insights of failure to properly plan for growth.

We all have an important stake in this Regional Environmental Summit which should result in developing a regional vision. I encourage each of you to attend this presentation and closely follow and be a part of these activities.

Upcoming Events

- November 13 *1998 Regional Environmental Summit*
Baxter Hood Center, Rock Hill
9:00 a.m. - 5:00 p.m.

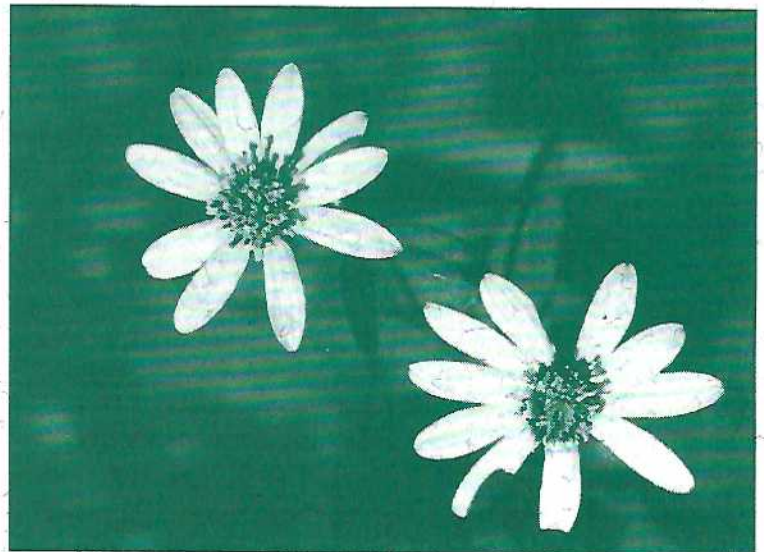
- November 28 *Winter Wonderland Craft Show*
Anne Springs Close Greenway
9:30 am - 2 pm

- November 30 *"Snack with Mrs. Claus"*
- December 3 *Anne Springs Close Greenway*
and *Mrs. Claus and her earth-friendly*
December 7 *elves visit the Greenway. For more*
- 10 *information, contact Wyndie*
Havnaer at 547-1035.

- December 19 *Candy Cane Hunt*
10:30 am sharp!
\$2/members - \$3/non-members
Pre-registration required. Tickets
on sale at the Recreation Complex.
Meet at the Nature Center on
21 Bypass.

Regional Environmental Summit

The 1998 Regional Environmental Summit will be held on Friday, November 13, at the Baxter Hood Center in Rock Hill from 9:00 am to 5:00 pm. The contact for this event is Central Carolinas Choices, phone number 704/376-9214. The summit will bring together citizens from 13 counties to discuss issues related to our regional environment and growth. The goal of the summit is to develop an environmental vision that the entire region can support and implement.



Sunflowers in bloom at the NFLT Conservation Easement on Banks Street in Fort Mill (photo by Richard Houk)

A very special "Thank You" to Franklin Printers in Pineville for sponsoring our newsletter!

Partner with Nation Ford Land Trust

Nation Ford Land Trust is a partnership among those citizens interested in preserving the natural and cultural integrity of York and its surrounding counties. To accomplish the types of projects described in this newsletter, we need the support of people like you who want to ensure that we pass on the good things about this community to our children.

Take a moment to join Nation Ford Land Trust at the highest membership level possible for you and your family. We promise in return that we will continue to work towards conservation in an effective, business-like manner.

Yes, I want to join Nation Ford Land Trust. Please accept my 1998 membership at this level:

\$25 individual

\$50 family

\$100 business

I want to help conservation in the York County area. Please let me know how I can become involved.

Name _____ Telephone (____) _____

Address _____

Please mail to: Nation Ford Land Trust, P. O. Box 431, Fort Mill, SC 29716

Nation Ford Land Trust is recognized as a 501(c)(3) organization by the Internal Revenue Service. Contributions to Nation Ford Land Trust are deductible to the extent allowable by law.

You CAN make a difference!

Nation Ford Land Trust
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