

# Gifts Your Land

## Protecting Wisconsin's Landscape

Robert Queen



## Wisconsin's Legacy of Land

All humans have, to some degree, an innate affinity for a beloved landscape. Perhaps it is wooded acreage you grew up with or a small plot of land with a meandering stream. It doesn't matter who you are, we all tend to be drawn toward a bit of green, our driving force toward life.

As a landowner, you have worked to make this inner drive a reality. Perhaps your land was passed down to you from earlier generations. Whatever the source of your bounty, it's a given that you understand the intangible

abundance that your land represents for you, your family and the Wisconsin landscape.

As a landowner, you are also faced with making important practical decisions regarding your land and its long-term condition and care. Preservation of these valuable lands for you, your family and future generations is one option you may wish to consider.

The information in this brochure briefly outlines several advantages of preserving your land through a gift to the State of Wisconsin.

### Leaving a Legacy for Future Generations

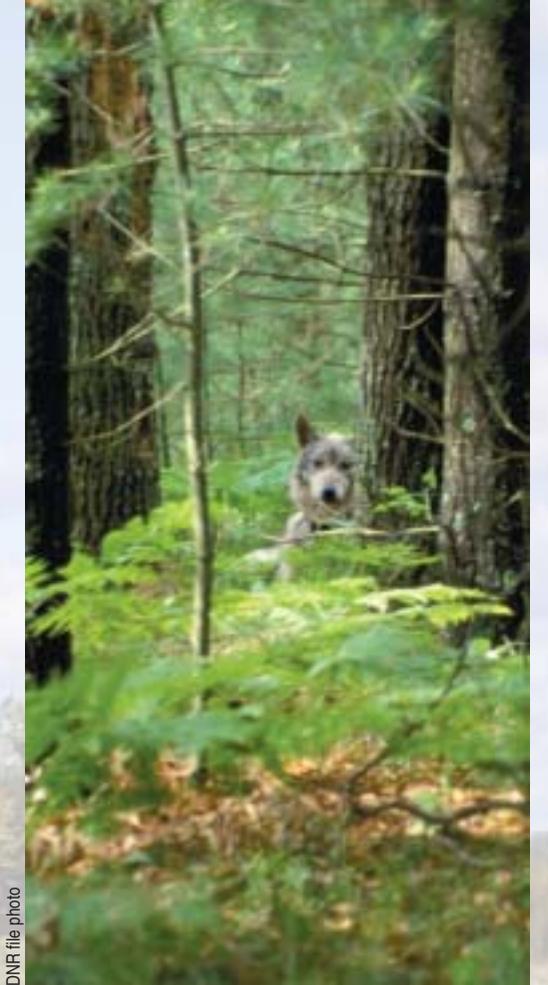
*Protecting your land through gift and estate planning is a great way to make a lasting contribution to future generations while providing you with potential federal and state tax advantages. A gift of land may qualify you and your heirs for reduced income, gift or estate taxes and reduced capital gains taxes. Since tax laws change frequently and financial advantages vary depending on your own situation, you will want to consult your attorney or tax advisor before making a commitment.*

### Does my Land Qualify for Gifting to the State of Wisconsin?

Gifts of land to the Department of Natural Resources will be gratefully accepted if they meet one or more of the following criteria:

- ❖ Lands within the boundaries of Department projects
- ❖ Lands that contain old growth forests, native prairies, trout streams, undisturbed lake shore or stream banks
- ❖ Lands that adjoin protected natural areas.
- ❖ Areas that adjoin protected natural lands
- ❖ Lands that contain habitat for endangered or threatened plants or animals
- ❖ Lands that contain unique scenic, historic, geographic or archeological features

In some instances, lands are offered that the Department cannot accept because of geographic location or restrictions on uses. In such cases, the Department will refer you to an appropriate private, non-profit conservation organization or a local unit of government that may be able to accept your gift.



DNR file photo

For more information on gifting your land to the Wisconsin Department of Natural Resources, contact:

**Real Estate Section**  
Wisconsin Dept. of Natural Resources  
P.O. Box 7921  
Madison, WI 53707-7921  
Phone: 608-266-2136

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This publication is available in alternative format (large print, Braille, audio tape, etc) upon request. Please call 608-266-2135 for more information.

# How Do I Gift My Land for Preservation to Wisconsin's Department of Natural Resources?

The following describes four ways to gift your land. Please note that due to the complexities of land donation, it is important to consult your attorney before making any decisions that may affect you, your property or your heirs.



Thomas A. Meyer

## 1. Bequests

Bequests are gifts you make through your estate plan.

Through your will or revocable living trust, you may choose to leave your land to the Department *after* your lifetime. A bequest of land to the State of Wisconsin should not be considered without first discussing the idea with the Department of Natural Resources.

One benefit of this approach is that assets passed in this way may be excluded from your estate for federal tax purposes, thereby reducing the amount of estate taxes your heirs will owe. However, because the gift is revocable, it does not qualify as a charitable donation for income tax purposes.

## 2. Life Estate

A life estate is often referred to as a “remainder interest donation.” It allows your land to be preserved in its natural state while you continue to live on and use the land. Other benefits to this approach include:

- The value of the gift may provide a significant income tax deduction for up to 5 years.
- The donated property is not subject to estate tax.
- The amount of the estate that can pass tax-free to a surviving spouse may further reduce any tax burden.
- Family members may also be included in the life estate.



Tim Malzhan

## 3. Conservation Easements

Another way to retain ownership and use of your land while preserving its natural and historical values is to donate a conservation easement to the Department. A conservation easement is flexible and gives you the power to influence the future use of your land, even after sale of the land or your death. To be eligible for tax benefits, a conservation easement must be perpetual (permanent). Any concerns you may have about public access or future uses of the land may be specifically addressed when you work with the Department on the details of your easement.

Conservation easements made in perpetuity become a charitable contribution. Benefits to this approach may include:

- The fair market value of the donation may be deducted from your adjusted gross income—reducing income tax.
- The change in use of the property may further reduce property taxes—contact your local tax assessor for your specific situation.
- A reduction in your estate taxes, while you or your heirs retain ownership and use of the land.

## 4. Direct Gift

You may be in a position to gift your land directly to the Department for preservation. A direct gift means that you give the Department title to the land without any monetary compensation. Benefits to this approach include:

- Knowing your land is protected forever and stewardship will be consistent through the years.
- The fair market value of the donated land may qualify you for certain income tax benefits.
- Property tax relief.
- One-time action resulting in less paperwork.

If you'd like to gift your land directly, please contact the Department of Natural Resources Real Estate Section. Your gift may be included as part of a specific land or water conservation program that appeals to you.

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