

EASEMENT BILL INTRODUCED IN HOUSE

December 16, 2005 - On Thursday, December 15th, as legislators worked to complete essential business before the holiday recess, Representative Phil English (R-PA) introduced a tax reform bill similar to a provision within a Senate bill (S. 2020) that revises the federal easement program. Like the Senate version, H.R. 4534 limits easement donations in historic districts to those that restrict alterations to the entire exterior of a building, not simply the facade. The bill also requires a written agreement between the donor and the recipient organization certifying that the organization is qualified to receive easement donations and has the means and commitment to enforce the easement=s restrictions in perpetuity.

The donor must also include a qualified appraisal of the easement, along with photographs of the entire exterior of the building and a description of all development restrictions. As in the Senate bill, if the easement donation exceeds 3% of the building's fair market value or \$10,000, which ever is greater, the taxpayer must pay a \$500 filing fee.

H.R. 4534 differs from the Senate version in that it does not include a provision that would exclude easements for non-building structures and land in registered historic districts. The changes outlined in the bill would apply to contributions made after the bill's enactment. The filing fee requirement would apply 180 days after the bill's enactment.

The differences between the House and Senate bills will be reconciled in conference and included in a larger tax reconciliation bill that is likely to be passed soon after Congress returns to Washington in January.