November 18, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles E. Schumer
Democratic Leader
United States Senate
Washington, DC 20510

Dear Leaders:

As national representatives for the conservation and appraisal communities, we urge you to take immediate action and pass the Charitable Conservation Easement Program Integrity Act this year.

With the end of the year being the peak period for closing year-end conservation deals, we remain concerned that abuse of the federal conservation easement tax incentive has not halted. This abuse continues despite meaningful compliance actions, including the release of the hard-hitting bipartisan Senate Finance Committee report in September. Rather, all indications point to promoters and investors of dubious deals continuing to flout the government’s attempts to curb abuse.

In the time since the Finance Committee report’s release, the IRS has provided updated data on the scope of abuse. Previous IRS data revealed that between 2010 and 2017, investors claimed nearly $27 billion in unwarranted deductions. This included $6 billion claimed in 2016 and $6.8 billion claimed in 2017. These numbers are stunning considering the IRS issued in 2016 its Notice 2017-10, which put the bad actors engaged in these transactions on notice that the IRS believed the transactions to be egregious tax shelters. Even more shocking, however, is that the abuse continued to grow in 2018, when 296 entities claimed a staggering $9.2 billion in deductions for a total of $36 billion in illicitly claimed deductions since 2010.

While the IRS is continuing to analyze data for 2019, the agency did note that the number of unique Material Advisors participating in these abusive transactions grew from 659 in 2018 to 873 in 2019, seemingly indicating that abuse continues to grow drastically. It is clear that we need to act now. We must not let these investors reap another penny of the massive profits they’ve already siphoned from the American taxpayer. Congress must act and must act before year’s end.
The *Charitable Conservation Easement Program Integrity Act* remains the fastest and most efficient way to halt this abuse. It has both the support of our respective organizations and the backing of all those who work tirelessly day in and day out to protect and conserve our country’s irreplaceable farmlands, forests, ranches and wetlands. Therefore, we respectfully ask you to stand with us, and all those in our community, by pledging to curb abuse and restore the integrity of this cherished and worthy conservation program. It’s time to pass the *Charitable Conservation Easement Program Integrity Act*.

Sincerely,

American Society of Farm Managers and Rural Appraisers

American Society of Appraisers

Appalachian Trail Conservancy

Appraisal Institute

Land Trust Alliance

Partnership of Rangeland Trusts

Pheasants Forever Quail Forever

The Conservation Fund

The Nature Conservancy

Theodore Roosevelt Conservation Partnership

The Trust for Public Land

CC:
The Honorable Richard Neal
The Honorable Kevin Brady
The Honorable Charles E. Grassley
The Honorable Ron Wyden
The Honorable Mike Thompson
The Honorable Mike Kelly
The Honorable Steve Daines
The Honorable Debbie Stabenow

**For further information, feel free to contact:**

Stephen Frerichs, American Society of Farm Managers and Rural Appraisers, sfrerichs8@comcast.net

John Russell, American Society of Appraisers, jrussell@appraisers.org

Brendan Mysliwiec, Appalachian Trail Conservancy, bmysliwiec@appalachiantrail.org

Bill Garber, Appraisal Institute, bgarber@appraisalinstitute.org

Lori Faeth, Land Trust Alliance, lfaeth@lta.org

Erik Glenn, Partnership of Rangeland Trusts, eglenn@ccalt.org

Bethany Erb, Pheasants Forever & Quail Forever, berb@pheasantsforever.org

Kelly Reed, The Conservation Fund, kreed@conservationfund.org