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IRS focus on “syndicated conservation easement” transactions

The IRS today announced that it is focusing “a significant increase in enforcement actions for syndicated conservation easement transactions.”

As noted in the IRS release—[IR-2019-182](#)—coordinated examinations are being conducted across divisions within the IRS (that is, the Small Business and Self-Employed Division, Large Business and International Division, and Tax Exempt and Government Entities Division). The IRS release explains that separately, investigations have been initiated by the IRS’ Criminal Investigation division.

The IRS previously identified certain syndicated conservation easements as “listed transactions” under Notice 2017-10—specifically, transactions for which investors in pass-through entities receive promotional material offering the possibility of a charitable contribution deduction worth at least two and half times their investment. Today’s release indicates that for many of these transactions, the deduction taken is significantly higher than 250% of the investment. Syndicated conservation easements were included on the IRS’s 2019 “dirty dozen” list of tax scams to avoid.

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