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Senate Finance Committee report on syndicated conservation-easement transactions

U.S. Senate Finance Committee Chairman Chuck Grassley (R-IA) and ranking member Ron Wyden (D-OR) released a report on their investigation into the abuse of syndicated conservation-easement transactions.

According to a [Finance Committee release](#), syndicated conservation-easement transactions involve promoters selling interests in tracts of land to taxpayers looking for large tax deductions. Following their initial investment, taxpayers receive inflated appraisals of those tracts of land, grant conservation easements on that land, and then share significantly inflated tax deductions among the taxpayers who have invested. The promoters tell their taxpayer-investors that for every dollar the taxpayer-investors pay to the promoters, they would save two dollars on their taxes.

The transactions discussed in the Senate Finance report involve land valuations that "appear so inflated above their original purchase prices that they cannot reasonably be characterized as anything other than abusive tax shelters." Documents obtained in the Finance Committee investigation "clearly show that both the promoters and the taxpayer-investors in these deals understood them simply as tax shelters."

The Finance Committee leadership expressed a belief that Congress, the IRS and the Treasury Department need further action to preserve the integrity of the conservation-easement tax deduction.

Read full text of the [report](#) [PDF 13.9 MB] and read [appendices and exhibits](#) [PDF 347 KB] to the report.

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