



Preservation Easements Program

HOW DO I GET STARTED?

In order for the property owner to receive the income tax deduction, the government has certain requirements of the property owner. This list will describe the sequence of steps required to complete the donation process.

Easement Process and Procedure

The National Parks Service in Washington, D.C. will review all historic properties to decide on eligibility for the IRS income tax deductions. The property owner and the Landmarks Preservation Council of Illinois (LPCI) must adhere to certain requirements. The state and federal review may take up to sixty (60) days for final approval on eligibility. If the property owner wishes to pursue the IRS income tax deduction for the present income calendar year, it is incumbent upon the property owner to move through the process well in advance of the end of the year.

(1) A non-refundable \$500 check must be received by LPCI to start the process. LPCI will then produce the required documentation about your property for National Park Service review to establish eligibility. Not all historic district properties will be found acceptable due to lack of existing architectural merit, or unacceptable alterations throughout the years. However, if the property is deemed at the outset to be ineligible by the Illinois Historic Preservation Agency, National Park Service (Washington DC) or LPCI's Review Board, the application fee will be refunded.

(2) Two application forms, **LPCI Easement Contribution Application** and the **U.S. Dept. of Interior Historic Preservation Certification Application** (Part 1), must be completed (in BLACK INK).

Please sign both applications in BLACK INK.

(3) A single roll of 35 mm film (24 exposures) can be taken of the subject property. Please shoot all four sides (elevations) of the property and a garage or coach house if applicable. Photos should show the entire sides of a structure-ground to roof. Digital photos can be emailed to mail@lpci.org.

(4) In order to qualify for the income tax deduction, IRS rules require that if a mortgage AND/OR home equity loan exists on the subject property, those lending institutions must agree to and sign a Lender Acknowledgement Agreement which is contained within the legal document titled **Sample LPCI Easement Document**. If no loans exist, such subordination is not an issue.

(5) IRS rules require that a qualified appraiser who is experienced in easement valuations be hired by the property owner to calculate the value of the preservation easement donation. Fees generally range about \$1,000.

(6) In order to accept your property into the program, a donation is sent to LPCI. This allows LPCI to cover the perpetual future expenses associated with your property (monitoring and enforcing the easement in perpetuity), in addition to furthering our preservation mission.

LPCI'S RESIDENTIAL EASEMENT CASH DONATIONS ARE AS FOLLOWS:

VALUE OF PROPERTY DONATION

Value of Property	Tax Deductible Donation to LPCI
Up to \$2.9 million	10% of tax deduction, capped at \$30,000
\$3 million - \$3.9 million	\$35,000
\$4 million - \$4.9 million	\$40,000
\$5 million - \$5.9 million	\$45,000
Over \$6 million	\$50,000

Please note this donation must be received in the year you wish to take the Preservation Easement deduction.

For more information or questions, please call LPCI at (312) 922-1742 or send an email to mail@lpci.org.