



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

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OFFICE OF  
CHIEF COUNSEL

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The Honorable Craig Thomas  
United States Senate  
Washington, DC 20510

Attention: Kimberly Pinter

Dear Senator Thomas:

This letter responds to your inquiry to Commissioner Mark Everson dated September 30, 2005, about Notice 2004-41, 2004-28 I.R.B. 31, which concerns conservation easement transfers and the charitable contribution deduction under Section 170 of the Internal Revenue Code. You wrote about the effect of the Notice on conservation buyer transactions, which you believe are a critically important tool for the voluntary conservation of land in the United States, and \_\_\_\_\_ in particular.

Thank you for your suggestions for criteria that we could use to determine whether we should allow a charitable contribution deduction in a conservation buyer transaction. On October 25, 2005, \_\_\_\_\_ of my office discussed your letter with \_\_\_\_\_, your tax counsel. \_\_\_\_\_ told \_\_\_\_\_ that we are considering issuing additional guidance on charitable contribution deductions in connection with conservation easement transfers, including conservation buyer transactions.

Again, I appreciate your comments and interest in this important tax issue. If you need further assistance, please contact me at \_\_\_\_\_ or \_\_\_\_\_, Identification Number \_\_\_\_\_, at \_\_\_\_\_.

Sincerely,

Robert M. Brown  
Associate Chief Counsel  
(Income Tax & Accounting)