

Statement of the Trust for Architectural Easements
about the U.S. Department of Justice Settlement
July 15, 2011

The Trust for Architectural Easements is pleased to announce that it entered into a settlement agreement with the U.S. Department of Justice in U.S. District Court for the District of Columbia. The settlement satisfactorily concluded a protracted investigation by the DOJ, on behalf of the Internal Revenue Service, and vindicated the Trust and its long-standing practices in the acceptance and enforcement of historic preservation easements. The settlement provides for no monetary payments to be made by the Trust and concedes no wrongdoing on the part of the Trust.

After settlement had been reached, the Trust was disappointed that the DOJ, rather than file the *pro forma* document required to enter the settlement of record, opted to file a lengthy, sensational complaint, replete with misstatements and innuendo. This complaint was filed in the case just settled, *after* agreement had been reached when the relief requested was already a moot point. The complaint was apparently designed to impugn the reputation of the Trust and attract the attention of the press.

The DOJ investigation that led to the settlement was the latest example of IRS overreaching in its opposition to a decades-old law that supports and encourages historic preservation. The law, intended by Congress to create incentives for historic and conservation easements, allows taxpayers to claim a charitable tax deduction for the donation of a preservation easement. The IRS's aggressive efforts against the legitimate, congressionally-endorsed tax incentive have been widely criticized. The 2009 Report of the IRS Advisory Council chastised the IRS for "diluting" the congressional intent behind the tax incentive and for "overreaching" on the issue.

"The Trust is gratified that the settlement puts this matter behind it and allows the Trust to return its full attention to its historic preservation mission," said Steven McClain, President of the Trust.
"The Trust also looks forward to the IRS implementing the recommendations of its own Advisory Council and halting the denegation of an important preservation tool authorized by Congress," said McClain.

The Trust for Architectural Easements is the nation's largest preservation easement-holding not-for-profit organization, protecting more than 800 historic buildings across the United States. For more information about the Trust's local preservation efforts and the Federal Historic Preservation Tax Incentive Program, contact the Trust at 1-888-831-2107 or visit www.architecturaltrust.org.