Appendix B
Case Scenarios based on the Spreadsheet Program included in this thesis. In that format the variables in parts 1 and 2 can be attenuated to reflect each land and landowner demographic. Parts 3 and 4 are automatically calculated based on this information.

Case Scenario 1

PART 1
Landowner Information (landowner income level, exemptions, and expected investment duration based on landowner age)
Adjusted Gross Income ................................ ................................ ............... $200,000
Exemptions claimed ................................ ................................ ................................ .2
Standard Deduction ................................ ................................ ................................ $0
Exemption deduction ................................ ................................ ......................... $570
Investment Horizon ................................ ................................ ...................... 30 years
Investment rate .......................................................................................... 10%

PART 2
Land Profile
Developed land value ................................ ................................ ............... $1,000,000
Undeveloped land value ................................ ................................ .............. $500,000
Development Rights ................................ ................................ .................... $500,000

PART 3
Income tax work (using the 1040 Y-1 because assumed demographic is married filing jointly, no other dependents or deductions)
line 33 AGI ................................ ................................ ................................ .$200,000
line 35 Standard Deduction (lost due to itemization) ................................ ............ $0
line 35 Itemized Deduction:
  Reduction of Income Tax liability (max. 30%)  Actual Tax Savings
  year 1......... $60,000 year 1.......$20,500
  year 2......... $60,000 year 2.......$20,500
  year 3......... $60,000 year 3.......$20,500
  year 4......... $60,000 year 4.......$20,500
  year 5......... $60,000 year 5.......$20,500
  year 6......... $60,000 year 6.......$20,500
  total ........... $360,000 total .......$123,003

PART 4
Results of conservation easement donation
Investment Potential: 30 year investment at 10% ................................ .... $1,713,766
Total Net Worth at Estate Turnover
(invested tax benefits + undeveloped land value)...........................................$2,927,398
Developed land value (3% appreciation).........................................................$2,427,262

Shortfall..............................................................................................................$0
Case Scenario 2

PART 1
Landowner Information (landowner income level, exemptions, and expected investment duration based on landowner age)
Adjusted Gross Income ................................................................. $50,000
Exemptions claimed ................................................................. 2
Standard Deduction ................................................................. $0
Exemption deduction ................................................................. $5,500
Investment Horizon ................................................................. 20 years
Investment rate ................................................................. 10%

PART 2
Land Profile
Developed land value ................................................................. $200,000
Undeveloped land value ............................................................... $75,000
Development Rights ................................................................. $125,000

PART 3
Income tax work (using the 1040 Y-1 because assumed demographic is married filing jointly, no other dependents or deductions)
line 33 AGI ................................................................. $50,000
line 35 Standard Deduction (lost due to itemization) ......................... $0

line 35 Itemized Deduction:
Reduction of Income Tax liability (max. 30%)                       Actual Tax Savings
  year 1 .......... $15,000                                    year 1 .......... $2,439
  year 2 .......... $15,000                                    year 2 .......... $2,439
  year 3 .......... $15,000                                    year 3 .......... $2,439
  year 4 .......... $15,000                                    year 4 .......... $2,439
  year 5 .......... $15,000                                    year 5 .......... $2,439
  year 6 .......... $15,000                                    year 6 .......... $2,439
  total ........ $90,000                                     total ........ $14,631

PART 4
Results of conservation easement donation
Investment Potential: 20 year investment at 10% ......................... $78,593
Total Net Worth at Estate Turnover (invested tax benefits + undeveloped land value) ......................................... $214,051
Developed land value (3% appreciation) ........................................ $361,222

Shortfall ................................................................. $147,171
Amount needed to be made whole .............................................. $21,876
Case Scenario 3

PART 1

**Landowner Information** (landowner income level, exemptions, and expected investment duration based on landowner age)
- Adjusted Gross Income .......................................................... $50,000
- Exemptions claimed .............................................................. 2
- Standard Deduction .............................................................. $0
- Exemption deduction ............................................................. $5,500
- Investment Horizon ............................................................... 30 years
- Investment rate ..................................................................... 10%

PART 2

**Land Profile**
- Developed land value ........................................................... $100,000
- Undeveloped land value ......................................................... $75,000
- Development Rights .............................................................. $25,000

PART 3

**Income tax work** (using the 1040 Y-1 because assumed demographic is married filing jointly, no other dependents or deductions)
- line 33 AGI ................................................................. $50,000
- line 35 Standard Deduction (lost due to itemization) ................. $0
- line 35 Itemized Deduction:
  - Reduction of Income Tax liability (max. 30%)
    - year 1 ....... $15,000
    - year 2 ....... $10,000
    - year 3 ....... $0
    - year 4 ....... $0
    - year 5 ....... $0
    - year 6 ....... $0
  - total ........... $25,000
- Actual Tax Savings
  - year 1 ....... $2,439
  - year 2 ....... $1,689
  - year 3 ....... $0
  - year 4 ....... $0
  - year 5 ....... $0
  - year 6 ....... $0
- total ........... $4,127

PART 4

**Results** of conservation easement donation
- Investment Potential: 30 year investment at 10% ....................... $69,335
- Total Net Worth at Estate Turnover (invested tax benefits + undeveloped land value) ....................... $251,380
- Developed land value (3% appreciation) ................................... $242,726
- Shortfall ............................................................................ $0
- Amount needed to be made whole ............................................ $0
Case Scenario 4

PART 1
Landowner Information (landowner income level, exemptions, and expected investment duration based on landowner age)
Adjusted Gross Income ................................................................. $125,000
Exemptions claimed ................................................................. 2
Standard Deduction ................................................................. $0
Exemption deduction ................................................................. $5,400
Investment Horizon ................................................................. 30 years
Investment rate ................................................................. 10%

PART 2
Land Profile
Developed land value ................................................................. $825,000
Undeveloped land value ............................................................. $500,000
Development Rights ................................................................. $325,000

PART 3
Income tax work (using the 1040 Y-1 because assumed demographic is married filing jointly, no other dependents or deductions)
line 33 AGI ................................................................. $125,000
line 35 Standard Deduction (lost due to itemization) ........................................... $0
line 35 Itemized Deduction:
Reduction of Income Tax liability (max. 30%) Actual Tax Savings
year 1 ........ $37,500 year 1 ........ $10,876
year 2 ........ $37,500 year 2 ........ $10,876
year 3 ........ $37,500 year 3 ........ $10,876
year 4 ........ $37,500 year 4 ........ $10,876
year 5 ........ $37,500 year 5 ........ $10,876
year 6 ........ $37,500 year 6 ........ $10,876
total .......... $225,000 total .......... $65,253

PART 4
Results of conservation easement donation
Investment Potential: 30 year investment at 10% ........................................... $826,502
Total Net Worth at Estate Turnover (invested tax benefits + undeveloped land value) ......................... $2,040,133
Developed land value (3% appreciation) ................................................... $2,002,492
Shortfall ............................................................................... $0
Amount needed to be made whole ......................................................... $0
Case Scenario 5

PART 1
Landowner Information (landowner income level, exemptions, and expected investment duration based on landowner age)
Adjusted Gross Income.................................................................$100,000
Exemptions claimed.................................................................2
Standard Deduction.................................................................$0
Exemption deduction...............................................................$5,500
Investment Horizon.................................................................30 years
Investment rate.................................................................10%

PART 2
Land Profile
Developed land value...............................................................$750,000
Undeveloped land value..........................................................$500,000
Development Rights...............................................................$250,000

PART 3
Income tax work (using the 1040 Y-1 because assumed demographic is married filing jointly, no other dependents or deductions)
line 33 AGI ....................................................................................$100,000
line 35 Standard Deduction (lost due to itemization) ..................$0
line 35 Itemized Deduction:
Year 1 ........ $30,000
Year 2 ........ $30,000
Year 3 ........ $30,000
Year 4 ........ $30,000
Year 5 ........ $30,000
Year 6 ........ $30,000
Total ........ $180,000

PART 4
Results of conservation easement donation
Investment Potential: 20 year investment at 10%..........................$631,457
Total Net Worth at Estate Turnover
(invested tax benefits + undeveloped land value)......................$1,845,088
Developed land value (3% appreciation).................................$1,820,447

Shortfall..........................................................................................$0
Amount needed to be made whole..............................................$0
Case Scenario 6

PART 1

**Landowner Information** (landowner income level, exemptions, and expected investment duration based on landowner age)

- Adjusted Gross Income: $75,000
- Exemptions claimed: 2
- Standard Deduction: $0
- Exemption deduction: $5,500
- Investment Horizon: 30 years
- Investment rate: 10%

PART 2

**Land Profile**

- Developed land value: $625,000
- Undeveloped land value: $500,000
- Development Rights: $125,000

PART 3

**Income tax work** (using the 1040 Y-1 because assumed demographic is married filing jointly, no other dependents or deductions)

- line 33 AGI: $75,000
- line 35 Standard Deduction (lost due to itemization): $0

**Itemized Deduction:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Reduction of Income Tax liability</th>
<th>Actual Tax Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$22,500</td>
<td>$6,209</td>
</tr>
<tr>
<td>2</td>
<td>$22,500</td>
<td>$6,209</td>
</tr>
<tr>
<td>3</td>
<td>$22,500</td>
<td>$6,209</td>
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<tr>
<td>4</td>
<td>$22,500</td>
<td>$6,209</td>
</tr>
<tr>
<td>5</td>
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<td>$6,209</td>
</tr>
<tr>
<td>6</td>
<td>$22,500</td>
<td>$3,409</td>
</tr>
<tr>
<td>Total</td>
<td>$125,000</td>
<td><strong>$34,454</strong></td>
</tr>
</tbody>
</table>

PART 4

**Results** of conservation easement donation

- Investment Potential: 20 year investment at 10%: $444,284
- Total Net Worth at Estate Turnover: $1,657,915
- Developed land value (3% appreciation): $1,517,039

- Shortfall: $0
- Amount needed to be made whole: $0
Case Scenario 7

PART 1
**Landowner Information** (landowner income level, exemptions, and expected investment duration based on landowner age)

Adjusted Gross Income................................................................. $50,000
Exemptions claimed................................................................. 2
Standard Deduction................................................................. $0
Exemption deduction................................................................. $5,400
Investment Horizon................................................................. 40 years
Investment rate................................................................. 10%

PART 2
**Land Profile**

Developed land value.......................... $625,000
Undeveloped land value.......................... $500,000
Development Rights.......................... $125,000

PART 3
**Income tax work** (using the 1040 Y-1 because assumed demographic is married filing jointly, no other dependents or deductions)

line 33 AGI ................................................................. $50,000
line 35 Standard Deduction (lost due to itemization) ......................... $0

line 35 Itemized Deduction:

<table>
<thead>
<tr>
<th>Reduction of Income Tax liability (max. 30%)</th>
<th>Actual Tax Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>year 1........$15,000</td>
<td>year 1........$2,439</td>
</tr>
<tr>
<td>year 2........$15,000</td>
<td>year 2........$2,439</td>
</tr>
<tr>
<td>year 3........$15,000</td>
<td>year 3........$2,439</td>
</tr>
<tr>
<td>year 4........$15,000</td>
<td>year 4........$2,439</td>
</tr>
<tr>
<td>year 5........$15,000</td>
<td>year 5........$2,439</td>
</tr>
<tr>
<td>year 6........$15,000</td>
<td>year 6........$2,439</td>
</tr>
<tr>
<td>total ............$90,000</td>
<td>total...............$14,631</td>
</tr>
</tbody>
</table>

PART 4
**Results** of conservation easement donation

Investment Potential: 20 year investment at 10%................................. $480,667
Total Net Worth at Estate Turnover
(invested tax benefits + undeveloped land value)................................. $2,111,686
Developed land value (3% appreciation)........................................... $2,038,774

Shortfall.......................... $0
Amount needed to be made whole.......................... $0