

Bargain Sale

If you plan to sell your land and especially if you have owned your land for a long time, you might consider a bargain sale to a conservation organization. For many landowners, a bargain sale is the most rewarding way to sell highly appreciated property.

Rather than sell at full market value on the open market, a bargain sale offers the land at a reduced sale price to your chosen conservation organization or agency. In other words, you donate a portion of the land value through a bargain sale. This is one of the most common ways to donate land for conservation.

A bargain sale can benefit you and the buyer:

- The amount you discount from the full market value can be considered for an income tax deduction. That deduction can offset the income taxes and capital gains taxes that will be due as a result of the sale of the property.
- Many conservation organizations cannot afford to pay full value for land. With a bargain sale, it is easier for them to gain the grant funds and donations they need to purchase the rest of the land from you.

The bargain sale allows you to receive some money for the land and to claim an income tax deduction. Also, capital gains taxes become smaller or non-existent when a landowner sells at less than fair market value. A financial advisor or your tax preparer might help you determine the bargain rate that provides the greatest benefits for you.

The Northern Prairies Land Trust can help you find a qualifying conservation agency interested in purchasing land through a bargain sale.