

# Rulings of the Tax Commissioner

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## Guidelines for Qualified Appraisals

These guidelines are published by the Department of Taxation (TAX) pursuant to Va. Code § 58.1-512.1 to provide guidance to donors and appraisers of land or interests in land qualifying for the Virginia Land Preservation Tax Credit for donations made on or after January 1, 2007.

### Incorporated by reference

The following are incorporated into these guidelines in their entirety, as they may be amended from time to time:

- The requirements of § 170(h) of the United States Internal Revenue Code of 1986, as amended (the "IRC), including the applicable regulations, which are located at 26 C.F.R. § 1.1704A-14.
- The Uniform Standards of Professional Appraisal Practice (USPAP), as developed by the Appraisal Standards Board of the Appraisal Foundation.
- The regulations of the Virginia Real Estate Appraisal Board, 18 VAC 130-20-10 et seq.

### Requirements

An application for a Land Preservation Tax Credit shall include a copy of the qualified appraisal, as defined in § 170(f)(11)(E) of the IRC, of the qualified donation. The appraisal must be prepared by a qualified appraiser who is licensed in Virginia pursuant to Va. Code § 54.1-2011. The application shall include the affidavit by the appraiser required by subsection C of Va. Code § 58.1-512.1.

If the appraised value is based on a hypothetical future change in use and ignores, or departs significantly from, a value based on a recent sale of the appraised property and comparable sales, then the affidavit shall clearly identify the

