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11th Circuit Denies Conservation Contribution Deduction For Property Subject to Two Mortgages

The 11th Circuit Court of Appeals affirmed a Tax Court judgment denying an LLC’s qualified conservation contribution deduction for certain property that was subject to two mortgages at the time of the donation to a not-for-profit corporation. The LLC argued that (1) the perpetuity requirement to meet the “exclusive for conservation purposes” did not require contemporaneous subordination, or, alternatively, (2) the two mortgage companies orally agreed to subordinate their rights to the property before the date of the donation. The Tax Court determined that the LLC failed to prove the existence of such oral

agreements and held that the plain language of the regulations means that “subordination is a prerequisite to allowing a deduction.” See *RP Golf v. Commissioner*, 119 AFTR 2d 2017-899.

[View RP Golf v. Commissioner, 119 AFTR 2d 2017-899](#)

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