March 13, 2018

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Senator Wyden:

Thank you for your letter dated March 29, 2017, asking about disclosures we received in response to Notice 2017-10, Syndicated Conservation Easement Transactions. This letter supplements our interim response dated July 13, 2017.

As you know, the Notice identified certain syndicated conservation easement transactions as "listed transactions," requiring material advisors and participants involved in these transactions to file disclosure statements.

The Notice resulted in a significant number of disclosures. During 2017, more than 6,000 Material Advisor Disclosure Statements (Form 8918) and more than 39,000 Reportable Transaction Disclosure Statements (Form 8886) were filed. Available technology and system limitations mandated a manual, multi-step process to capture the information included in the disclosures. Due to the extension of the Form 8886 filing date to October 2, 2017, and the time required to extract the data from the disclosures, data was not available for analysis until February 1, 2018. Now that we have all of the data for 2017, we are actively working to fully analyze this data to inform our enforcement approach going forward.

Enclosed are responses to each of your questions based on the full data set. Note that the responses to questions one through eight are based solely on the information submitted on the disclosure forms. The IRS has not validated the accuracy of the information disclosed or identified any duplications that may exist. All data reflects information from syndicated easement transaction disclosures filed during 2017.
I hope this information is helpful. I am also sending a similar letter to your colleague, Ranking Member Ron Wyden. If you have any additional questions, please contact me, or a member of your staff may contact Leonard Oursler, Legislative Affairs, at 202-317-6985.

Sincerely,

David J. Kautter
Acting Commissioner

cc: The Honorable Orrin Hatch