



211: Special Use Valuation **Study Guide**

- 1.) What was the original purpose for creating IRS Code 2032A (Special Use Valuation)?

- 2.) What is the formula for special use valuation?

- 3.) What is the average 5-year rent in your area/county?

- 4.) What is the average property tax in your area?

- 5.) To find the factor, go to irs.gov/irb/2019-35_IRB Then scroll down to table of interest rates to find the rate for your area. (Remember, that is a percentage so $4.86\% = .0468$)

- 6.) What is the special use value of your land? (Apply the formula to your land)

- 7.) Is your estate large enough that this code may be helpful to reduce the value of your estate?

- 8.) Regardless of the size of your estate, now that you know the special use value of your land, does that seem like a good number to use for farm continuation planning?

Why or why not?