

ITRA – WHAT'S IN THE NEWS

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Title: **Linigers Try to Slay Beast of Tax Burden**

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When it comes to hunting down tax deductions, Re/Max International Inc. chairman Dave Liniger is dead serious.

Liniger has been to Africa and Alaska, shooting elephants, zebras, giraffes, rhinos, buffaloes, jackals, hyenas, impalas, warthogs, leopards, lions, bears and other wild beasts of the jungles, savannas and forests.

Some folks may marvel at the sight of a white-bearded wildebeest - or simply take a picture. Not Liniger. He drops them with a rifle and has them meticulously stuffed and mounted. He then donates these trophies to his private museum and claims them as tax deductions.

This is the kind of thinking that separates great business minds from the rest of us.

In 1999, Liniger and his wife, Gail, claimed a \$1.4 million tax deduction for 174 mounted trophies they've collected over the years.

The Linigers - "avid hunters" with "a large collection of wildlife taxidermy" - formed a private foundation "to educate the public about various forms of wildlife," according to an Internal Revenue Service review of their deductions.

The Linigers are also respected philanthropists and the esteemed founders of Greenwood Village-based Re/Max, a global franchise for real-estate agents.

Leave it to the real-estate magnates to teach us about conservation.

In 2002, the Linigers' foundation opened the Wildlife Experience, a 101,000-square-foot, nonprofit museum at 10035 South Peoria St. in Parker.

The museum has an IMAX screen for heartwarming flicks such as "Roar: Lions of the Kalahar." (Imagine that: a Re/Max IMAX.) It also features wildlife art, sculpture and photography, plus scores of the Linigers' hunting trophies.

The museum's mission statement reads: "The Wildlife Experience is dedicated to promoting the understanding of the natural world and its conservation through art, education and community."

Liniger was out of the country last week and could not be reached, a Re/Max spokesman said. Perhaps he was on another expedition.

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So all I can really say is: Look, Jim, there's an East African impala. It's a fine tax deduction. Ch-ch. Boom!

And hey, there's a Kalahari springbok. Mutual of Omaha never had it so good.

Ch-ch. Boom!

Tax-planning season must be hell for the animals. But now it looks like the hunters have become the hunted.

The IRS has audited the Linigers for seven years in a row, from 1993 to 1999.

For 1999, the IRS claimed that the Linigers' dead-animal collection was worth \$370,665. That's drastically lower than the \$1.4 million valuation the Linigers got from Jack Jonas, a "national animal appraiser" from Aurora.

The IRS's lower valuation forced the Linigers to pay an additional \$660,215 in taxes for 1999. But big-game hunters aren't easily deterred.

On March 1, the Linigers filed a lawsuit against the IRS in federal court in Denver, demanding the money back.

The Linigers allege that the IRS's repeated audits are improper and that the IRS's assessment of taxes, penalties and interest against them for 1999 is "excessive, erroneous and illegal."

The Linigers paid more than \$7.5 million in taxes in 1999 on taxable income of more than \$20.4 million, according to their amended tax return, which is now part of the public court record.

The issue for the court is deciding how one values the stuffed carcass of a baboon, a Kafue Flats lechwe or a Zambezi sitatunga.

Jonas argues for "replacement value," which might involve going back to Africa and blasting, stuffing, mounting and shipping the animals all over again.

The IRS argues for "fair market value," or what these dead animals would fetch on the open market.

Jonas counters that there are no comparable specimens, so a fair market value can't be established. The IRS argues there are plenty of comparable trophies.

Where this taxidermy tax deduction goes from here is up to the court.

For now, let's wish the Linigers luck. They're not just passing the buck to the rest of us taxpayers.

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