Forest Use Taxation

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Forest Tax Deferral

- Property is “used for the predominant purpose of growing and harvesting trees of a marketable species”
- Incentive to keep lands in production
- It’s a deferral, not a discount or exemption
- Payback when you switch
  - Potential back taxes of 5 to 10 years
“Growing”

- Typically defer to Oregon Forest Practices Act
- Forest is stocked with:
  - 200 seedlings per acre
  - 120 trees per acre (1-10” DBH)
“Harvesting”

- Clearcut
- Thinning
“Marketable”

- Douglas-fir, hemlock, fir, cedars, and other conifers
- Hardwood
  - Red alder
  - Bigleaf maple
  - *Others get “iffy”*
So, you just bought a forest

*Multnomah Co. Example*

Forest Questionnaire comes in mail \(15\) business days

- Are you growing trees?
- About how old are they?
- Do you plan to harvest them?
- When?

- Do you have a Forest Management Plan?
  - Yes, please send it
  - No, can you write down what you’re planning?
So, you just bought a forest

*Multnomah Co. Example*

• If they have further questions, you’re probably on your way to writing a plan
• They’ll set a time limit with you
• You’ll need to address
  – Stocking
    • Species
    • Age
  – Harvest plans
  – Other restoration work

You’re not required to work with a professional on this...but most people should 😊
I don’t want to harvest trees

• Pay property taxes in full – *not a bad option*
• Wildlife Habitat Conservation Management Plan—ODFW
• Conservation Easement
• Open Space?

• If growing Christmas trees, Orchard, etc. you want to explore Agricultural Deferral Programs
Learn More

• Call the County Tax Assessor
  – Mult. Co. – Mary Holliman – (503) 988-3278

• Oregon Department of Revenue
  http://www.oregon.gov/DOR/programs/property/Pages/timber.aspx
  • Info on Property tax and Timber tax
  • Small Tract Forestland Program
    – Pay some of your property tax obligation after you harvest timber