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# The Forest Property Tax Law in Western Oregon

Alternatives for the Small Woodlands Owner

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## FOREST PROPERTY TAXATION IN WESTERN OREGON

1982

If you own forest property in western Oregon and meet certain qualifications, your property will be taxed under either of the following two tax laws: (1) the Western Oregon Forest Land and Severance Tax, or (2) the Western Oregon Small Tract Optional Tax. The Western Oregon Forest Land and Severance Tax is the primary tax law for forest property in western Oregon. Forest property taxed under the Forest Fee and Yield Tax on December 31, 1977 is now taxed under the Western Oregon Forest Land and Severance Tax. Under this tax law you will pay an annual property tax on your forest land and when you cut, a yield tax on the appraised stumpage value of your harvested timber.

If you meet certain qualifications, you can classify your property under the second law listed above, the Western Oregon Small Tract Optional Tax. Forest property under this law is taxed annually based on the productivity of the forest land.

The following is an explanation of each of these forest property tax laws.

### Western Oregon Forest Land and Severance Tax (ORS 321.257)

The total tax you pay on your forest property under the Western Oregon Land and Severance Tax will consist of two parts: (1) an annual ad valorem tax on the bare land value of your forest land and (2) a 6½ percent tax on the appraised stumpage value of trees harvested for use or for sale.

#### The Tax on Your Land

An ad valorem tax on your land means that the forest land is taxed according to its value. In Oregon, property is either valued according to its market value or its value in use. Your house or business property is valued in relation to its market value but farm land or forest land is usually valued according to its use in farm or forest production.

The ad valorem tax on your forest land depends on two items: the tax rate for the geographic area (tax code district) where your land is located, and the assessed value of the land. The tax rate used each year (the tax year begins July 1) for your tax code district is calculated by the county assessor by dividing the budget (less offsets) for your tax district by the total assessed value of property in that district. The county assessor's staff can give you the tax rate for your tax code district. In Oregon the rate is expressed in dollars of tax per thousand dollars of assessed value.

As a taxpayer, your control over the tax rate used for your property is primarily through the annual budget review and through budget elections, if held.

The assessed value of your forest land,<sup>1</sup> the other factor affecting the tax you pay, depends on the market value of the property or its value in use. But the market value of bare forest land is difficult to measure because there are so few sales of bare land. Consequently, the method of assessing bare forest land has been changed by the legislature.

For 1981 and subsequent years, the base forest land value for the previous year (in this case 1980) is adjusted by the Land Trend Index. Any increase in value caused by the Land Trend Index is limited by two percentages independently applied: (1) for the assessment years 1981 through 1983, the percentage increase, statewide, in "other" property (i.e., property exclusive of dwellings), and (2) a five percent limit imposed on all annual increases in real property assessment in Oregon.

The Department of Revenue calculates the Land Trend Index from a moving three-year average for young growth Douglas-fir stumpage values for the Department's B, C, and D tree classes. For example, for 1981 the Land Trend Index was calculated by comparing the average stumpage price for 1978, 1979, and 1980 with the average for 1979, 1980, and 1981.

Here is an example to show how the forest land value for 1981 was calculated:

*Example 1*

Forest land (Class FB) in Zone A in Linn County has a 1980 true cash value of \$295 per acre.

Step 1. Apply the Land Trend Index for 1981 (1.1333) to the 1980 true cash value for forest land (\$295/acre).

$\$295/\text{acre} \times 1.1333 = \$334/\text{acre}$

NOTE: this calculation is not required under present law unless the land trend index increases by less than 5 percent per year.

Step 2. Limit the increase in true cash value for forest land for 1981 by the increases in value for "other property." From 1980 to 1981 the increase in "other property" was 8.93 percent.  $\$295/\text{acre} \times 1.0893 = \$321/\text{acre}$

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<sup>1</sup>Two terms are commonly used in the assessment process for property taxation in Oregon: 1. The true cash value, defined as the estimated market value of the property and 2. The assessed value used to calculate the tax due. True cash value and assessed value may be the same, but often are not.

Step 3. Limit the increase calculated in step 2 by five percent of the statewide increase in real property for 1981. The Department of Revenue calculates a statewide ratio to apply to the true cash value of real property. For 1981 the ratio was .844.  $\$321/\text{acre} \times .844 = \$271/\text{acre}$

Therefore, the assessed value for forest land in class FB in zone A of Linn County is \$271 per acre. This is the land value used to calculate the property tax due November 15, 1981.

Note that if the Land Trend Index increases less than 5 percent, then, under current law, the upper limits on increases in assessed value for forest land used in this example in steps two and three would not apply.

#### Calculation of the Tax on your Land

To calculate the tax on your forest land, first multiply the acres of forest land of a particular site class by the value per acre for that site. Then multiply this total "true cash value" by the tax rate for your area. This gives the tax you will pay for your forest land. Here is an example:

##### *Example 2*

You own fifty acres of forest land (Site II) in Zone A, Linn County, classed as Class FB by the forest appraiser in the Department of Revenue.

Assume that the assessed value is \$271 per acre and the tax rate for the area, called the "code area", is \$15 per thousand dollars of assessed value.<sup>2</sup> (Code areas are drawn to include areas of equal tax liability and are not necessarily related to timber or forest land zones used for appraisal.)

50 acres x \$271/acre assessed value = \$13,550 (total assessed value).

$\$13,550 \times \$15 \text{ tax per thousand dollars of assessed value} = 13.550 \text{ thousands of dollars} \times \$15 = \$203.25$  on this forest land for 1981.

Therefore, on November 15, 1981, you would owe a tax of \$203.25 for your 50 acres of forest land.

#### Tax on Forest Land Formerly Under the Forest Fee and Yield Tax

The Forest Fee and Yield Tax, often called the Reforestation Lands Tax, has been repealed, and forest property formerly under this law will be completely merged into the Western Oregon Forest Land and Severance Tax by the year 2002.

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<sup>2</sup>A property tax rate of \$15 per thousand dollars of assessed value is equal to a tax rate of  $1\frac{1}{2}$  percent or .015 cents per dollar.



Rather than change abruptly from the rather low annual land tax of 10 cents per acre under the Forest Fee and Yield Tax to full ad valorem taxation of forest land, only 5 percent of the full assessed land value was taxed in 1978. Each year thereafter the percentage to be taxed increases by 5 percent until in 20 years (1997) the full forest land value will be taxed. To calculate the new forest land tax due in 1981 for Reforestation Land, the assessor uses 20 percent of the appropriate 1981 land value for the Western Oregon Forest Land and Severance tax and multiplies this figure times the local code area tax rate. For example, assume that the fifty acres of Site II forest land you own in Zone A in Linn County is classified as Reforestation Land:

*Example 3*

$\$271/\text{acre} \times 20 \text{ percent} = \$54.20/\text{acre} \times 50 \text{ acres} \times .015 \text{ (tax rate)} = \$40.65$   
tax for 1981 on this former Reforestation land.

Designation of Land as Forest Land

The example used above to show how your land tax is calculated assumes that your land has been classified as "forest" land, but this may not be the case. Its location may add to its value because of a potential higher use for recreation or homesites.

Each county in Oregon has established land use zones limiting the kinds of activities that may be carried on in a zone. If your land is in a forest zone and is used for forest production, it may be appraised as forest land and be taxed accordingly. However, the assessor is not required to classify land as forest land simply because the land is in a forest zone. If the land is in a farm or higher use zone, it is probably not classed as forest land. To be sure, ask your local assessor if your land is being appraised for forest production or for some other use.

You can also call the local office of the State Department of Revenue and ask for the forest land values for the current assessment year. Compare these values with your appraised values. If your appraised value is higher, the county assessor probably decided that your land has a higher use than for forest production.

If your appraised land values are higher than the values given to you by the Department of Revenue and you intend to practice forestry on the land, you may wish to have your land "designated" as forest land. "Designation," if approved by the County Assessor, will reduce the land values to those used by the Department of Revenue for appraising forest land. You apply to have your forest land "designated" as such on a form titled "Application for Designation of Land as Forest Land." Your local assessor has a supply of the forms.

Application for designation as forest land must be made to the county assessor on or before April 1 for assessment for the tax year beginning the following July 1. You may also apply for "designation" within 30 days of receipt of note of (1) your property's assessment as omitted property (that is, not on the tax rolls) or (2) an increase in its valuation. If the assessor fails to send a notice of increased assessment, you have until December 15 to apply for "designation."

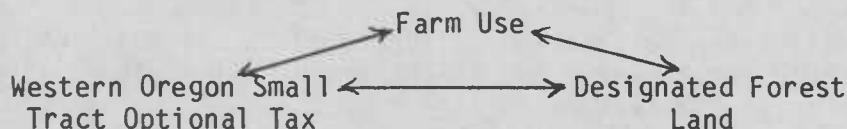
If your local assessor rejects your request to "designate" your land as forest land, you may appeal to the Department of Revenue.

Only parcels of forest land of two acres or more meeting minimum stocking standards are eligible for designation as forest land.

If designated forest land is sold, the designated forest land classification transfers to the new owner as well as any liens for increased taxes and interest. New owners must also assume the responsibility of growing forest crops on the land to continue its designation as forest land.

#### Taxes Due on Change of Land Classification

Providing you meet the qualifications, you may change from any one of the land classifications below to any other of these classifications. There is no additional tax collected for the transfer.



If your land is designated as forest land and you later change its use to a higher use, such as subdivision for homes, you will be required to pay a tax on the difference in value between "designated" land and its value for a higher use. The assessor will subtract the land value for the last year the land was designated as forest land from the land value for the higher use for the same year. This difference in land value is multiplied by the local tax rate for the last tax levy in the tax code district where your land is located. This additional tax is multiplied by the number of years the land was designated as forest land, for a maximum of five years.

The maximum payback period is increased to ten years if the land was under special farm use assessment in an exclusive farm use zone, not within an urban growth boundary, prior to designation as forest land.

#### Reforestation Land Designated as Forest Land

Lands classified as Reforestation Lands as of July 1, 1977 are considered to have been designated as forest land from the date of original classification as Reforestation Land.

If these former Reforestation Lands are removed from designation, an additional tax will be due if the new land value is higher. To calculate the additional tax, the difference in land value is multiplied by the tax rate for the last year the land was designated. The additional tax is then multiplied by the number of years the land was designated, not to exceed five years.

### Reasons for Removal of Designation

Once land has been designated as forest land, it must be valued as such until:

1. the taxpayer requests the assessor to remove the designation as forest land, or
2. the land is sold or transferred to an ownership that exempts it from ad valorem property taxation, or
3. the land is removed from designation by the assessor upon discovery that the land is no longer forest land, or
4. the State Forester finds that the designated forest land (if logged before 1973) is not adequately stocked or does not have an acceptable plan to achieve minimum stocking, or is not managed in accordance with the minimum management standards established by the State Forester.

Upon removal of the designation as forest land, the assessor has 30 days to notify both the taxpayer and the Department of Revenue. The assessor must specify the reasons for the removal.

### The Tax on Your Timber

As the name implies, the Western Oregon Forest Land and Severance Tax requires the owner to pay a six and one-half percent tax on the stumpage value of timber harvested from privately owned land.

The owner (taxpayer) is the "person or business that owns the timber when it is first measured after harvest in the ordinary course of business." For example, if you sell standing timber (stumpage) to a logger, who then cuts the timber, has it scaled, and sells the logs to a mill, the logger is the "timber owner" and must pay the tax.

If you harvest your timber, you must fill out a "Notification of Operations" form obtained at the local office of the State of Oregon Department of Forestry. Be sure to enter on this form the correct name and address of the "timber owner" as defined above. The "timber owner" automatically will receive a packet containing all the materials necessary to calculate the severance tax including:

1. the Western Oregon Tax Instructions and Tables
2. a copy of the Harvest Detail Report,
3. a Semi-annual Return Summary,



4. reference tables needed to calculate the tax due,
5. an envelope for the tax return.

#### Exempt Timber

You do not pay a severance tax on:

1. Christmas trees grown on cultivated land where unwanted vegetation is continuously controlled,<sup>3</sup>
2. timber from land assessed by the Utility Section, Assessment and Appraisal Division, Oregon Department of Revenue,
3. timber cut from land under the Western Oregon Small Tract Optional Tax, or on
4. timber harvested from land which is exempt. For example, federal lands are exempt, so you do not pay a severance tax on federal timber purchases.

#### Calculating the Taxable Value on Your Timber--Standard Method

Three factors will affect the amount of severance tax a timber owner will pay:

1. the amount of the product harvested whether measured in board feet, tons, or some other measurement,
2. the value assigned to the harvested units of timber,
3. the log grades of the products harvested.

Because the stumpage value assigned or accepted by the Department of Revenue depends on the log grade of the products produced, it is essential to keep a record or have access to a record of the volume or other measurement by log grade.

The Columbia River Log Scaling and Grading Bureau's log grades or some other system adopted by rule by the Department of Revenue must be used to report the harvest.

The stumpage values used for the standard method of reporting harvest value are determined by forest appraisers from the Department of Revenue. They use prices collected from federal, state, and private sales of standing timber and/or logs as a guide. For standing timber, only voluntary sales are used. The stumpage prices used by the Department of Revenue are published by numbered Value Area. The code number

<sup>3</sup>Land used for Christmas tree production may be classed under the Western Oregon Small Tract Optional Tax or under special farm use assessment.

is assigned by the Department of Revenue from the location of the harvest indicated on the Department of Forestry Notification of Operations permit.

The stumpage prices for your Value Area can be adjusted for several factors, including topography, volume per acre, yarding distance, thinning, small isolated areas or short log production.

The Harvest Detail Reports are work sheets provided so that you can calculate a total taxable stumpage value. You enter this value on the Semi-annual Return Summary. Use one Harvest Detail Report for each "harvest unit." The definitions for a harvest unit and the instructions for filling out the Harvest Detail Report and the Semi-annual Return Summary are contained in the Western Oregon Severance Tax Instructions and Tables published by the Department of Revenue. If you are the timber owner, you should obtain a copy of these instructions and forms from the Department of Revenue and read them carefully before you harvest your timber. It is especially important to obtain a tally of your harvest by log grade. You need this information to calculate the tax due.

#### Calculating the Taxable Value of Your Timber--Small Owner Election

The Standard Method of calculating the tax on your timber requires you to use the stumpage values published by the Department of Revenue. By contrast, the Small Owner Election permits you to use the gross price you receive for your harvested products (logs, poles, etc.) delivered at the mills minus the cost of administration, logging, and transportation to find the taxable stumpage value for your sale.

If you wish to choose the Small Owner Election to calculate your taxable stumpage value, you must meet the following qualifications:

1. Harvest less than 500,000 board feet in the calendar year or own less than 1,000 acres of forest land in western Oregon.
2. Own no more than a 10 percent interest in a forest products processing business 12 months prior to the due date of the severance tax return.

Check with your local Department of Revenue to see if you qualify.

If you do, there are two methods for subtracting administration, logging and transportation costs to calculate the taxable stumpage value. First, you may use costs published by the Department of Revenue; this method is described in more detail below. Second, if you have a written agreement with your logger, showing the logging costs you are expected to pay, then you may deduct these costs. Note that a written agreement is required. A contract specifying a percentage share for the logger of the delivered price of your timber products is acceptable for subtracting logging and hauling costs.

For this election use the Harvest Detail Report--Small Owner Election. The Department of Revenue will preprint on the Semi-annual Return Summary the code number for the Cost Zone for your harvest location. Enter this number on the Harvest Detail Report and use the appropriate cost figure from the Cost Table--Small Owner Election. The total taxable sales value from the Harvest Detail Report is then entered on the Standard Semi-annual Return Summary. Detailed instructions for the Small Owner Election are in the Western Oregon Severance Tax Instructions and Tables.

Those who qualify for the Small Owner Election may choose either the regular or the small owner election for calculating the severance tax. However, once selected, you must use the same election for all acres harvested during the semi-annual tax period. Therefore, it may pay you to calculate your tax under both options and select the option most profitable for you. However, if you qualify for the Small Owners Election because you cut less than 500 thousand board feet per year, you must report both halves of the year using this election.

#### Entering the Taxable Value on the Semi-annual Return Summary

After you have calculated the Total Taxable Stumpage Value (Standard Harvest Detail Report) or the Total Taxable Sales Value (Harvest Detail Report, Small Owner Election), transfer this value to the Semi-annual Return Summary.

If your harvest was entirely on land classed as Reforestation Land (Forest Fee and Yield Tax), a letter "R" is preprinted in the column headed "Reforestation Lands." Enter the Taxable Value from each Harvest Detail Report in the column headed "Classified 'Reforestation' Lands Only."

If part of your harvest was in Reforestation Lands, the letter "p" is printed in the column. In this case, it is essential that you keep a separate tally of the timber harvested from Reforestation Lands. A separate Taxable Value for this timber must be entered in the column "Classified 'Reforestation' Lands Only" because a higher severance (yield) tax is due on this timber until the calendar year 2002. If part of your harvest is to come from old Reforestation Lands, it would simplify the procedure if you assigned a separate Harvest Unit number to the harvest area classified as Reforestation Land.

#### Calculating the Severance Tax

Now assume that you had a total taxable value of \$100,000 for stumpage harvested from non-classified lands (i.e., not under the Forest Fee and Yield Tax). The severance tax due for the quarter would be:

*Example 4*

\$100,000 (stumpage value) x 6½ percent = \$6500 tax.

The same amount of taxable value for timber harvested from classified "Reforestation Lands" would be taxed at 11-3/4 percent for 1981. The percentage decreases by .25 percent per year thereafter until the year 2002. At that time the severance tax rate will be 6 1/2 percent, equal to the severance tax under the Western Oregon Forest Land and Severance Tax.

#### Payment of the Severance Tax

The severance tax return including the Harvest Detail Reports, the Semi-annual Return Summary and a check for the severance tax due for the previous two calendar quarters must be filed on or before the last day of July or January. Penalties are due for late returns but time extensions up to 30 days may be granted for filing if needed. Records used to determine the amount of tax due must be kept for three years. It would be wise to keep copies of each of the Harvest Detail Reports you send to the Department of Revenue. File them with your copy of the Semi-annual Return Summary.

Anyone harvesting timber in any quarter must file a Semi-annual Return Summary. If you owe less than \$10 severance tax for any two calendar quarters, you do not have to pay the tax.

If you filed a "Notification of Operations" form but did not harvest timber during the previous two quarters, write "No harvest previous two quarters" across the face of the Semi-annual Return Summary and return it to the Department of Revenue.

#### Quarterly Estimate and Payment of Tax

Owners who use the standard method of reporting and anticipate a tax liability of \$5,000 or more for timber harvested during a six-month period must make a report to the Department of Revenue by April 30 and October 31 and pay at least 50 percent of the severance tax due for that period.

#### Help in Figuring Your Tax

If you have difficulty in filling out any of these forms to calculate the severance tax due, foresters in the local office of the Department of Revenue or your local Service Forester in the Department of Forestry can help you.

WESTERN OREGON SMALL TRACT OPTIONAL TAX  
(ORS 321.705)

This tax is related to the ability of forest land to produce an income from the sale of timber. Only the productivity of the forest land is taxed; trees are not taxed separately.

Qualification

The following conditions must be met to classify your land under this law:

1. The land must be suitable for growing timber in accordance with principles of good forestry.
2. The predominant diameter breast high (dbh) of the stand on the forest land must not be more than 8 inches.
3. An owner must own more than 10 acres but not more than 2,000 acres of forest land in western Oregon. Owners with less than the minimum acreage as of July 1, 1977 may continue the classification.
4. Unless the State Forester grants an exception, no owner may classify his land under this law if his spouse, brother, sister, ancestor, or lineal descendant has forest land classified under it.
5. The land must be held for the primary purpose of growing and harvesting timber products. The land owner must manage the land in accordance to minimum standards established by the State.

Land Values

Under the Western Oregon Small Tract Optional Tax the true cash value of the forest land producing Douglas-fir or other species depends on the site quality. Site quality is determined by measuring tree height and age of selected trees on your property. The Oregon State Department of Forestry determines the true cash value for each site class. In establishing these values the Department must use an income approach that "capitalizes average annual net income over a rotation age including periodic and final harvests." The net income for each site class is capitalized at 20 percent interest to determine the true cash value for the site. The 20 percent rate applies to the assessment years 1982 through 1984.



### Calculation of Taxes

The assessed value by site class times the local tax rate gives the tax paid per acre for that year. As an example, suppose you own 50 acres of timber land classed by the State Forester as Site II and the tax rate in your district is \$15.00 per thousand dollars of assessed value. Using the income method of valuation, an acre of Site II land had a capitalized value of \$367 per acre for the 1981 assessment year. The value of \$367 per acre times the statewide ratio (.844) gives an assessed value per acre of \$310. The tax calculation follows.

#### *Example 5*

50 acres x \$310/acre = \$15,500 total assessed value.  
\$15,500 x .015 tax rate = \$232.50 total tax on this property for the 1981-1982 tax year.

### Application

You may pick up an application (a form titled "Application for Certification") at the local Service Forester office of the State Department of Forestry or the field offices of the Department of Revenue. Your assessor may have a supply too.

Fill out the form and give it to your local State Forestry office or mail it to the address shown below.

State Forester  
2600 State Street  
Salem, Oregon 97310

A representative of the State Forester will then examine your land for a small fee (listed on the application) and make his recommendation.

Assuming you meet the eligibility requirements, application to have lands classified under the Western Oregon Small Tract Optional Tax made on or before December 31 of any calendar year, will be effective as of the following January 1. You may apply to classify all or only a portion of your eligible land.

### Classification

If the State Forester determines that your land is eligible for classification, he will send a notice of certification to the local assessor and to you. If your land is not eligible for the Western Oregon Small Tract Optional Tax, the State Forester must notify you within 90 days after receipt of the application.

There are no additional taxes due upon application to the State Forester. The State Forester inspects classified lands every five years to verify continued eligibility.

### Notify State Forester When Selling Land

Owners with forest land under the Western Oregon Small Tract Optional Tax must notify the State Forester by registered or certified mail not later than the 30th day after any change in land use or ownership.

### Declassification

Forest property may be declassified from the Western Oregon Small Tract Optional Tax for the following reasons:

1. The owner may request declassification.
2. The State Forester, after an investigation, may decide that an owner's forest land is in such condition that it is no longer entitled to classification, (unless the trees are harvested, declassification is automatic when the average age of the timber stand reaches 90 years).

Declassification for any of the above reasons can cause the owner to owe additional taxes on the forest property. The assessor must notify the owner within 15 days of the effective date of declassification.

The new owner does not have to file an application for continued classification for forest land already classified under the Western Oregon Small Tract Optional Tax (WOSTOT). To remain under WOSTOT the new owner must meet all eligibility requirements for the law, except that the predominant size of the timber on the property may be over eight inches diameter breast high.

### Additional Tax Due Upon Declassification

The amount of the additional tax due when the forest property is declassified depends on two factors: (1) the classification of the land prior to classification under the Western Oregon Small Tract Optional Tax (WOSTOT) and (2) the classification of land chosen after classification under WOSTOT.

1. If the owner chooses to shift forest land from designated forest land or farm use classification to WOSTOT or back again to either of the first two classifications, there is no additional tax due.
2. If the owner shifts forest land from either farm use or designated forest land to WOSTOT and then to a classification other than farm use or designated forest land the owner will owe an additional tax. The assessor will subtract the land value for the last year of special forest use assessment under WOSTOT from the land assessment value that would have applied if the forest land had not been classed under WOSTOT. The difference in value, if any, is multiplied by the appropriate

tax rate for that year. This additional tax for the last year of special assessment is multiplied by the number of years the land has been assessed using special use values (farm use, designated forest land, WOSTOT) for a maximum of five years. If the land has received special assessment as farm use land and was not in an urban growth boundary at the most recent removal from special assessment, then the maximum increases to ten years to calculate the additional tax due.

3. If an owner shifts land from a land classification other than farm use or designated forest land to WOSTOT, and then changes to a classification other than the first two classifications, an additional tax may be due. If timber was harvested during that period, the added tax will include severance taxes as well as additional land taxes.

To calculate the additional tax due for forest land, the assessor uses the method described above (in 2.) but multiplies the additional taxes due for the last year by the number of years the land was classed under WOSTOT for a maximum of five years. If the owner harvested timber during classification under WOSTOT, severance taxes at  $6\frac{1}{2}$  percent are due for the period the land was under WOSTOT, to a maximum of five years.

Simple interest at 6 percent per year is levied on severance taxes due.

#### Landowner Must Manage for Timber or Christmas Tree Production

To continue classification under the Western Oregon Small Tract Optional Tax, a landowner must manage land according to minimum standards for timber or Christmas tree production established by the State Forester.

#### FOREST PRODUCTS HARVEST TAX (ORS 321.005)

Though not a real property tax, another tax of importance to forest owners is the Forest Products Harvest Tax. It is paid semiannually by the owner when merchantable timber is cut. For fiscal year 1981-1982 this tax amounted to 45 cents per thousand board feet on timber harvested from lands protected by the Oregon State Department of Forestry and 30 cents per thousand board feet on timber harvested from all other forest lands in Oregon.

The first 25,000 board feet of forest products harvested during a fiscal year is exempted from the Forest Products Harvest Tax.

Proper return forms and information will automatically be furnished by the Department of Revenue to anyone obtaining the required "Notification of Operation" from the Department of Forestry to harvest timber.