The Workbook in Wood Property Taxation in Eastern Oregon

Table 1.—Method used to calculate the assessed value for 1988 for forest land in eastern Oregon

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<tr>
<th>Year</th>
<th>County</th>
<th>Fiscal Year</th>
<th>Land in eastern Oregon classified as reforestation land</th>
<th>Land in eastern Oregon classified as forest land</th>
<th>Total</th>
<th>Average for 5 years</th>
<th>Percentage change</th>
<th>One-half the percentage change</th>
<th>Designated equivalent</th>
<th>Percent 5% of assessed value for reforestation land</th>
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</table>

Calculation of tax on forest land

Assuming that your land is classified as forest land, how will you be taxed? To calculate your tax, the assessor will multiply the tax rate for the tax district in which your forest land is located by the total assessed value of that forest land. Examples for the 1988 tax district:

Example 1

a. $2,735 /acre x 55% = $1,350.12 /acre x tax rate = $276.62

b. $13.05/acre x 50 acres x tax rate = $652.50

c. $13.05 /acre x 50 acres x 10% = $652.50

Example 2


Additional tax due on removal of designation

Land in eastern Oregon previously classified as reforestation land may be changed to forest land if the land has been specifically assessed as reforestation land for one of three reasons:

1. The property owner requests removal from designation as reforestation land.
2. The property is sold to an unrelated owner, resulting in a change in classification as reforestation land.
3. The assessor discovers the property is no longer used for reforestation purposes.

For additional tax due on removal of designation, the assessor multiplies this amount by the tax rate for the tax district in which your forest land is located. Examples for the 1988 tax district:

Example 3

a. $2,735 /acre x 55% = $1,350.12 /acre x tax rate = $276.62

b. $13.05 /acre x 50 acres x tax rate = $652.50

c. $13.05 /acre x 50 acres x 10% = $652.50

Do you need help?

If you have questions about your forest land taxes, write or phone your county tax assessor.

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The Woodland Workbook is a collection of publications prepared by the Oregon State University Extension Service for owners and managers of nonindustrial woodlands. The Workbook is organized into 11 sections, containing information on long-range and short-term value for income and estate tax purposes, and is available in a three-ring binder with tabbed dividers for each section:

1. Oregon Forest Land Values
2. Timber Management
3. Timber Market Trends
4. Forest Land Reassessment
5. Forest Land Taxation
6. Land Use Division
7. Urban Growth Boundaries
8. Landowners' Responsibilities
9. Business Management
10. Forest Property Taxation
11. Forest Resources and the Environment

For more information about this workbook, write Oregon Agricultural Communications, Publication Orders, Oregon State University, Corvallis, OR 97331-2119, or inquire at the office of the OSU Extension Service that serves your county.

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### Eastern Oregon Severance Tax

Forest land in eastern Oregon is a dominant component of the Cascade Mountains, Willamette, Jefferson, Deschutes, and Klamath counties in which it is in western Oregon, and the Pacific Plateau area extending from eastern Idaho through the Deschutes, and Klamath counties in which it is located, the summit of the Cascade Mountains: Wasco, Jefferson, Deschutes, and Klamath counties.

The severance tax of 5% of the value of timber harvested is levied on all timber harvested in all forest land in eastern Oregon. A completed eastern Oregon timber severance tax return will be due by July 31 of fiscal year 1987-88. The return must be filed by the due date of the return. If the tax liability for any assessment year is not $5 (equivalent to an exemp-
tion of $250) or more for a 6-month reporting period, the assessor may have any discrepancies.

### Calculating taxable stumpage value

- **Standard method:**
  - First, you must determine from the Schedule of Immediate Harvest Values and Area (type and size of forest product) to find the stumpage value used in the tax calculation.

- **Small harvester method:**
  - First, you must determine from the Schedule of Immediate Harvest Values and Area (type and size of forest product) to find the stumpage value used in the tax calculation.

### Example 1

You may deduct your property tax liability from the amount of the income tax you pay.

### Example 2

Your income tax liability is $1,000 of assessed value.

### Conclusion

In recent years, a tally of mill seconds of ponderosa pine logs you harvested in Klamath County in eastern Oregon was scaled at the mill. $1,000 of assessed value.

### Calculating the tax

- **Small harvester election:**
  - Assume that because you have a severance tax exemption, you don’t need to pay any income tax on the income you receive from your harvest.

### Special assessment of forest lands

The true cash value of your forest land is the amount that could be sold for $1,000 of assessed value.

**Calculating the forest index**

- For most current information:  
  http://extension.oregonstate.edu/catalog
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Business Management

Property Taxation in Eastern Oregon

Forestry Property Taxation

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