



Forest Tax Law

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To encourage the long-term ownership of woodlands to produce forest crops and thereby increase the likelihood of a more stable forest economy, the State of New York has enacted a number of laws granting some form of tax relief to qualifying owners.

As early as 1912 there were provisions for tax concessions on forest lands. Various laws and amendments were passed over the years, culminating in the present law, Section 480-a of the Real Property Tax Law, which has been in effect since 1974.



Major Provisions of the Forest Tax Law

What lands are eligible?

Any tract of forest land is eligible if it consists of at least 50 contiguous acres, exclusive of any portion not devoted to the production of forest crops. lands divided by state, county or town roads, energy transmission corridors and similar facilities, but not limited-access highways, are considered contiguous for purposes of this act.

To be eligible, any timber harvest conducted within three years prior to application must have been conducted in accordance with a sound forest management program.

Who may apply?

Any owner of forest land may apply whether he or she is an individual, private corporation, industry, partnership, association, firm, trust, estate or any other

private legal entity, excluding government entities.

What should a landowner do to determine the feasibility of seeking an exemption?

An owner must first decide if he or she is willing to commit land to the production of forest crops and to follow a management plan, prepared by a forester and approved DEC, for the next succeeding ten years beginning each year that they receive a tax exemption. This decision can be made only after an analysis of the investments required by the plan, income from forest product sales and associated stumpage.

Tax savings may vary considerably for different properties. An owner must first determine the likely exemption to apply to his or her property and estimate the resultant tax reduction, if any. It is possible that there would be no savings. If this analysis shows that a tax reduction can be obtained, a forester should be consulted for professional advice about the approximate costs of preparing a management plan and making investments in the forest which may be required by the plan.

The owner is then in a position to make an appropriate decision with respect to applying for participation in the program.

How Is An Application Made?

A landowner should submit the following to the DEC Regional Forester assigned to the county in which the property is located.

1. A completed application form. This form is available from any of the [regional forestry offices](#).
2. A management plan prepared by a forester.
3. A map or aerial photograph showing the location of the property.

If the application is complete and acceptable, the Regional Forester will mail the owner a certificate of approval within 60 days of receipt of the application. If it is rejected, the owner will receive the reasons for rejection in writing within the same time period.

What is a management plan?

It is a document which shows by maps, tables and written text, the boundaries and size of the forest, what kinds and sizes of trees it contains and what needs to be done to produce and harvest forest crops. The map, which is part of the plan, will also show areas of the ownership not in forest cover, such as open fields, roads and lakes. Eligible tracts must be managed primarily for forest crop production, although other compatible uses, such as forest recreation and watershed management can be allowed. A plan identifies scheduled commercial harvests, noncommercial thinnings, road construction and other management practices. These practices are listed in a scheduled part of the plan that shows the work to be done each year. Initially, this schedule is for 15 years and will be updated every 5 years thereafter, as long as the owner seeks exemption. It must be followed for the next 10 consecutive years after obtaining annual

exemption.

Who prepares the management plan?

Because professional judgement is required to prepare a forest management plan, it must be prepared by a qualified forester.

An owner may have the management plan prepared by a private forester. The cost of this service must be borne by the owner. The fee charged by private foresters can vary. A directory of private cooperating foresters is available from the Regional Foresters.

Must the management plan be followed?

Yes. Failure to adhere to the annual commitment in the work schedule of the management plan will result in revocation of the certificate of approval by the Department of Environmental Conservation, and the imposition of penalty or roll-back taxes by the county as provided in subdivisions 7(a) through 7(f) of the law.

What is the procedure for harvesting forest crops?

An owner must harvest crops as specified in his or her work schedule. Flexibility is allowed, however, in that an owner may request alterations in the work schedule for economic or biological reasons.

Not less than 30 days prior to a planned cutting, the landowner must submit a cutting notice to the DEC Regional Forester. He or she will certify the value of the stumpage and, on receipt of this certification, the owner pays within 30 days, a tax of 6 percent of the value to the treasurer of the county where the property is located.

How is a reduction in assessment obtained?

Initially, the owner must submit an application for exemption, a certificate of approval issued by the Department of Environmental Conservation and a forest type map to the Town Assessor on or before the taxable status date, usually March 1 of each year.

An owner must follow the commitment spelled out in his management plan for a ten-year period following receipt of each annual exemption. This commitment represents a lien on the property and is recorded by the County Clerk.

How is the exemption determined?

The following example illustrates how to determine the exemption:

First: Take the assessment per acre and multiply it by 80%.

Example: Total assessment per acre = \$120

$\$120 \times 80\% = \$96.$

Second: Take the equalization rate for the town, multiply it by \$40, and subtract that figure from the assessment per acre.

Example: Equalization rate = 70%

$\$40 \times 70\% = \28

$\$120 - \$28 = \$92.$

To obtain the new assessment, take the lesser amount (\$92) and subtract it from the assessment per acre: $\$120 - \$92 = \$28/\text{acre}.$

It is possible that, even though the example shows that a substantial reduction is possible, neither of these calculations will result in a tax savings when figures relating to your tax situation are substituted. It is, therefore, important that an owner make actual calculations for his or her own situation.

Can the land be sold?

Yes. But the obligation to follow the management plan stays with the property for the remainder of the commitment period. Also, subdivisions of less than 50 acres will be subject to roll-back taxes if established within the commitment period.

What are the landowner's responsibilities?

1. To submit a completed application for certification, including one application form, two copies of the management plan and three forest-type maps.
2. To mark and maintain, on the ground, the boundary line of an eligible tract.
3. To submit an initial Certificate of Approval to the County Clerk and Town Assessor.
4. To submit Application for Real Property Tax Exemption to the Town Assessor.
5. To file an annual commitment form with the Town Assessor and the DEC Regional Forester.
6. To comply with the plan's work schedule for a ten-year period after obtaining each annual exemption.
7. To submit an updated work schedule every five years so that there is always a work schedule available for the ten-year commitment period.
8. To submit a notice of cutting to the local DEC Regional Forester not less than 30 days prior to the contemplation of a commercial harvest cutting and to pay a 6 percent tax on the stumpage value to the County Treasurer within 30 days of the receipt of certification of value.

What are the Department of Environmental Conservation's responsibilities?

1. To provide the owner a certificate of eligibility for forest land tax exemption within 60 days of receipt of a completed application that meets the requirements of the law and Rules and Regulations.
2. To establish standards and approve management plans, work schedules and revisions.
3. To certify stumpage value.
4. To make all necessary forms available to landowners.
5. To revoke certificates of approval when necessary.

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