

The New York Forest Owners Association

» POSITION STATEMENT «

Forest Property Tax Reform

Situation Statement

Property taxes in New York State make the long-term stewardship of private forestland increasingly unsustainable. Inflationary growth in the cost of municipal services and assessment procedures based on development potential create a property tax burden for the privately owned forests in New York State that is inconsistent with the social and environmental benefits these forests provide. Property taxes are being levied on forestland without consideration of the minimal cost of municipal services required by forested acreage.

The requirement for a commercial forestry objective, mandated work schedules and strict penalties have been viewed by landowners as excessive barriers resulting in low participation in the current Forest Tax Law. The current program also creates negative fiscal impacts for municipalities and heavy reliance on state staffing for forestry supervision and program administration. New York Forest Owners Association, an organization representing forest owners throughout New York State, supports the comprehensive reform of the taxation policies of New York State. The following reforms are suggested to enable the forest owners of the state to continue their tradition of long term forest stewardship.

Components of Comprehensive Tax Reform

- Reductions in property taxes must be linked to the requirement to practice sound forestry. Commercial forestry activities must be conducted in accordance with a management plan written by a NYSDEC approved forester.
- The New York State Department of Environmental Conservation is responsible for supervising the approval process for participating foresters and may review a sample of the plans prepared by participating foresters on a periodic basis.
- Eligibility for tax reduction is extended to forests being managed for a wider range of objectives including the production of commercial forest products, recreation and wildlife.
- Forested parcels of twenty-five acres or more are eligible. Wetlands and other naturally occurring non-forested

areas are eligible. Up to five percent of the acreage may be maintained as open fields.

- Application for program enrollment is filed at the local assessor's office for a term of ten years. At the end of this term the owner has the option of committing for an additional term.
- Landowners are penalized for conversion to ineligible uses within eight years of last application. Penalties will not exceed three times the most current annual tax savings.
- The forest tax program is revenue neutral for local municipalities. The fiscal impacts of reduced forest taxation are the responsibility of New York State.
- Granting public access is not a requirement of program participation.
- No yield or stumpage tax is required from commercial harvests.
- There is no reduction in benefit for lands leased for recreational purposes. No permanent structures are allowed on enrolled land.
- Forest landowners receive an 80% reduction in property taxes on enrolled property.
- The value of standing timber is excluded from the assessed value of enrolled property

Alternative Mechanisms

- The forest owner receives a reduction in taxes from the local municipalities, which are then reimbursed by New York State.
- The forest owner pays full taxes and then receives a fully refundable New York State Income Tax Credit.

Approved by the NYFOA Board on November 13, 2004