

Overview - Programs

- Current Use Tax Programs
 - i. Tree Growth Tax Law
 - ii. Open Space
 - iii. Farmland Tax
- Be Woods Wise Program/WoodsWISE
- American Tree Farm System
- Woodland Owners of Maine
- NRCS and Cost-share Funding

Current Use Programs in Maine

- Statewide programs based on state law
- Are administered locally by the town assessor
- Maine Revenue Service is assessor in unorganized townships
- Have eligibility requirements for land
- Usually reduce the valuation (therefore taxes) of classified land
- Have significant withdrawal penalties for changing the land use OR failing to meet requirements

Current Use Programs Available

- Farmland (Tax Bulletin 20)
- Open Space (Tax Bulletin 21)
- Tree Growth (Tax Bulletin 19)
- Go to Maine Revenue Service (MRS) website:

http://www.maine.gov/revenue/forms/property/appsformspubs.htm

Tree Growth Tax Law

- Tree Growth Tax Law (TGTL): in effect since 1971.
- Purpose:
 - "to tax all forest lands according to their productivity"
 - "encourage forest landowners to retain and improve their holdings of forest lands"
 - "to promote better forest management"
- Administered by town assessor not MFS
- TGTL runs with the land, not the landowner

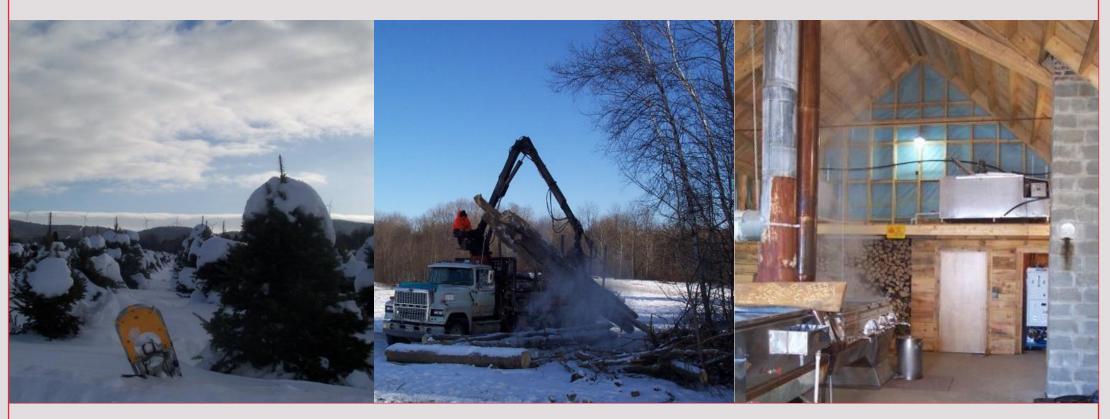
How Land is Valued

- Valuations per acre for classified forest land established by the MRS, with data from MFS, adjusted each tax year
- Valuation rates are determined for Softwood, Mixedwood, and Hardwood stands in each county
- Number of acres x value per acre = assessed value

Tree Growth Requirements

- Minimum 10 forested acres
- Primary objective must be to grow and harvest forest products
- Must have a current forest management & harvest plan, updated at least every 10 years
- Must recertify at least every 10 years with licensed forester

Commercial Forest Products



Timber Harvesting

- Harvesting of commercial* forest products is required, as recommended in the forest management
 & harvest plan
- Harvesting land classified under TGTL is <u>not</u> prohibited
- Harvests on TGTL land is <u>not</u> regulated differently from other land

Getting Into Tree Growth

- Have a written forest management and harvest plan prepared or reviewed, and signed, by a Maine licensed forester
- Do not give this to the town/assessor
- Submit a Tree Growth Application Schedule to the town/assessor
- Submit a map of the parcel showing the classified and other land uses to the town/assessor

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Maintaining Tree Growth

- Follow your forest management and harvesting plan
- Ok to amend or modify if things change—just write it down!
- Have licensed forester review if applicable
- Must recertify at least every 10 years
 - Forester signs to certify landowner has been following plan
 - Outline activities scheduled for next 10 years
- Update the plan and file a new Application Schedule

Transfer of Ownership and TGTL

- Tree Growth sticks with land from one owner to the next
- New owners have one year to either:
 - Adopt previous owner's plan
 - Have a new plan prepared

Getting Out of Tree Growth

- Roll over into Open Space or Farmland (no penalty if land qualifies)
- Withdraw some or all acres and pay penalty/acre removed
 - Based on a percentage of the difference between the acre-specific "just" value and the TGTL Valuation on date of withdrawal
 - The percentage can change with years enrolled
 - The details of the formula are in Bulletin 19.
 - Minimum = difference in taxes paid, last 5 years, plus interest

Farmland Tax Law

- Minimum 5 acres
- Use for farming, agriculture, or horticulture
- Parcel must produce \$2,000/year (gross)
- Can include forestland and other non-farmland
- Firewood does not count towards the income requirement
- Map showing acerage locations must be submitted to enrol
- Income report required yearly

Open Space

- No acreage minimum, max 15,000 acres
- Land that is preserved or restricted in use to provide a public benefit
 - Conserving scenic resources Enhancing public recreation opportunities Promoting game management - Preserving wildlife or wildlife habitat
- Building/improvement areas must be excluded
- Multiple valuation categories
 - Ordinary Open Space Public Access Open Space Permanently Protected Open Space Forever Wild
 Open Space Managed Forest Open Space

Be Woods Wise

- Maine Forest Service District Foresters
 - Free on-site walk and talk
 - Offer information and help answer forest management questions
- Resources/Information
 - Woods Wise Wire
 - Collection of online resources
 - Programs and educational opportunities
- WoodsWISE Cost Share Assistance



WoodsWISE

- Woods Wise Incentive for Stewardship Enhancement
- Cost Sharing for woodland resource action plans (WRAP)
 - Available to landowners owning 10-1,000 acres
- Plans must be prepared by certified stewardship foresters and must meet certain requirements
- Steps Involved:
 - 1. Landowner applies and is approved based on available funds
 - 2. Work is done, paid for and documented by landowner and their hired forester
 - 3. MFS reviews and approves work done
 - 4. MFS reimburses landowner for a portion of the completed work

American Tree Farm System

- Federal program run at the state level
- Certification program based on "standards of sustainability"
- Property and plan are inspected for compliance
- Recognition of exemplary forest management
- Outstanding tree farmer of the year
- National conference



Maine Woodland Owners

- The program formerly known as SWOAM
- Member supported program
- Members have access to exclusive information and resources
- Land Trust program
- Advocates politically on behalf of forest landowners





USDA NRCS - EQIP/WHIP

- Cost share funding available for qualifying conservation practices (wildlife, water quality, etc)
- Non-industrial private forest owners can apply through their county office
- Propetry will be given a "farm number"
- Involved plan for property prepared by a TSP
- Application does not guarantee funding but there is no limit on years you can apply



For more information talk with your local NRCS office