

Forestland Program

Purpose: The Legislature established the Forestland Program as a special tax assessment. This reduced tax assessment was intended to recognize the importance of forestland to Oregon's economy and respond to the growing pressures that urban growth was putting on natural resource lands.

How the program works: During the 1900s, counties identified lands in the state whose best, most economically productive use was to grow timber and other forest products. These lands were deemed "highest and best use forestlands". The property tax on the land is based on the value of the land as forestland. Timber growing on these lands has been taxed differently over time. Currently, timber is not taxed through the property tax system.

Landowners who are committed to managing their land as forestland may receive a property tax reduction if they agree to continue managing their lands for the primary purpose of growing and harvesting timber.

How to get into the Forestland Program: Apply to the assessor of the county in which the forestland is located. The application is needed to help the assessor determine if your land qualifies.

Property size: To qualify for the program, the tax lot must be at least two acres.

Forestland criteria: The land must contain enough trees to meet the stocking standards of the Oregon Forest Practices Act. If your land does not currently meet these standards, you can still qualify if at least 20 percent (minimum two acres) of the land meets the standards and there is a written management plan to plant enough trees to meet the standards within five years. Lands that are not adequately stocked within five years will be disqualified.

Annual property tax: Under this program, land is taxed at a special rate based upon the typical price paid for land managed for the production of harvestable timber. This value is often less than the real market value used for taxing other properties. Property taxes under this program range from 40 cents per acre to \$6.75 per acre, depending on location of the property and the ability of your property to grow timber.

Eastern Oregon land is taxed at an average of about 55 cents per acre.

Western Oregon land is taxed at an average of about \$3.40 per acre.

Severance tax at harvest: There is no property tax related to the timber. This means you do not pay the STF Severance Tax when you harvest the timber.

Disqualification or removal: The county assessor may disqualify lands that do not continue to meet the standards for this program. The owner of the disqualified lands will be required to pay an additional tax. This additional tax will be the difference between the tax paid for the previous five years and the tax that would have been paid for the same five year period had the land been taxed at the real market value.

Back tax example:

Tax on a 50-acre tract of land at real market value	
5 years x \$1,500 tax per year	\$ 7,500
Tax on a 50-acre tract of land at forestland value	
5 years x \$150 tax per year	\$ 750
	\$ 6,750

Change from one forestland option to another: You may change between special assessments without having to pay additional taxes. This means you can put your property into a farm special assessment, the Wildlife Habitat Conservation Program or the STF Option if your land qualifies for these programs.