

## **FORESTLAND TAXATION LAW 2012 REDESIGNATION**

### **The 2012 Redesignation of Idaho's Private Forestland**

The year 2012 is special for forest landowners in Idaho. Idaho's forestland taxation law allows forest landowners to change from one forest tax option to the other. The change from one forest tax option to the other is termed a "redesignation." "Designation period" means a 10-year period in a sequence of 10-year periods. The next 10-year designation period begins January 1, 2013. Before January 1, 2013 a forest landowner may change the designation of all forestlands in common ownership, subject to the recapture of any deferred taxes due as a result of the change.

A forest landowner must notify his county assessor of any change in forestland designation by completing form FT-101, "Owners Designation of Forest Tax Option." The form is available in your county assessor's office.

- If you do not want to change your designation, you do not have to do anything! Your present designation will roll over for the next ten-year period.
- There are no deferred taxes due on a change from the Productivity to the Bare Land & Yield Tax Option.

### **How do I Decide if I Want to Change the Designation of My Forestland?**

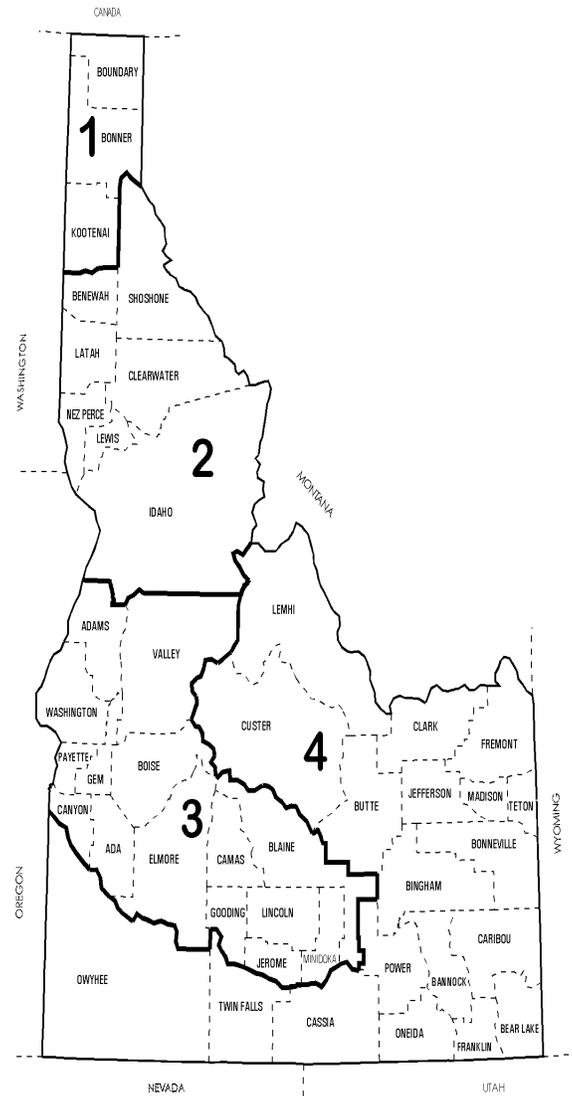
The decision is unique for each owner. You have to decide if a change in designation would benefit you. The forestland values and procedure's provided in this brochure can be used to make that decision.

### **When Should I Complete My Redesignation?**

If you want to redesignate your forestland you must submit form FT-101 to your county assessor's office before January 1, 2013. If you visit your county assessor's office, bring your tax notice with you. It will provide ownership information and it lists the legal description of your property. The forestland values needed to calculate the deferred tax for your property are shown in this brochure. The deferred tax will be different for each individual property.

# 2012 Forestland Value and Stumpage Value Zones in Idaho

<b>Zone 1</b>			
<b>Land Grade</b>			
Good	Med.	Poor	
\$149	\$104	\$61	Bare Land & Yield
\$518	\$284	\$128	Productivity
<b>Zone 2</b>			
<b>Land Grade</b>			
Good	Med.	Poor	
\$144	\$91	\$46	Bare Land & Yield
\$451	\$245	\$110	Productivity
<b>Zone 3</b>			
<b>Land Grade</b>			
Good	Med.	Poor	
\$102	\$65	\$34	Bare Land & Yield
\$197	\$104	\$43	Productivity
<b>Zone 4</b>			
<b>Land Grade</b>			
Good	Med.	Poor	
\$74	\$47	\$25	Bare Land & Yield
\$187	\$103	\$50	Productivity



## Where Can I Obtain Additional Information?

If you need additional information concerning Idaho's Forest Tax Law, obtain a copy of the brochure titled "Idaho's Forestland Taxation Law 2012." A discussion of the two forest tax options is included in that brochure. It will help you understand the two tax systems and which of them would be best for you.

You can examine Idaho Code and Rule on the internet. The web site is: [www.state.id.us/laws\\_rules](http://www.state.id.us/laws_rules). For Code sections, go to Idaho Statutes, title 63, chapter 17, Taxation of Forestlands and Forest Products. For rules, go to Administrative Rules, then Administrative Code, then Tax Commission, State (35), then Property Tax Administrative Rules 35.01.03, then the Forest Tax Rules 960 through 966.

## Example for a Deferred Tax Calculation

This is an example of a deferred tax calculation for a 40 acre parcel under each of the three productivity classifications:

- Subtract the Bare Land & Yield Land Value (BL&Y) from the Productivity Land Value.
- Multiply the result by the most current levy rate.
- Multiply this result by the number of years in the BL&Y option, up to a maximum of 10 years.
- This result equals the total deferred tax per acre.
- Multiply the deferred tax per acre by the number of acres.
- Subtract any yield tax credit accrued over the number of years applied previously
- This result equals the total deferred tax.

*(2012 Values from Forest Value Zone 1 are used in this example.)*

Good     $\$518 - 149 \times .00926 \times 10 = \$34.17$

$\$34.17 \times 40 - \$1,000 = \$366.80$

Med     $\$284 - 104 \times .00926 \times 10 = \$16.67$

$\$16.67 \times 40 - \$500 = \$166.80$

Poor     $\$128 - 61 \times .00926 \times 10 = \$6.20$

$\$6.20 \times 40 - \$100 = \$148.00$

### **For More Information, Contact:**

- Your county assessor
- Idaho State Tax Commission: In the Boise area, 334-7733; Toll free, 800-777-0983 x 7733
- Hearing impaired: TDD 1-800-377-3529
- [tax.idaho.gov](http://tax.idaho.gov)

This information was prepared by the Idaho State Tax Commission. It does not provide comprehensive explanations of Idaho tax laws or rules. Specific questions should be addressed to the Tax Commission.