

# WEST VIRGINIA'S MANAGED TIMBERLAND TAX INCENTIVE PROGRAM

## INTRODUCTION

Seventy-nine percent of the land surface of West Virginia is forested, with 89 percent (10.7 million acres) of this timberland being privately owned. Seventy percent of this privately owned timberland, amounting to 7.5 million acres, is owned by farmers or individuals.

Recognizing the major impact of this renewable natural resource on the state's economy and the benefits to the citizenry of productive, multiple-use managed timberland, West Virginia state law allows timberland, when properly managed, to be appraised under the Managed Timberland Program. This program uses a formula that includes a measure of the ability of the land to produce timber, current average stumpage prices, a capitalization rate, an assumed 80-year rotation, and management costs, in contrast to normal timberland, which is appraised on the basis of market comparables derived from sales of comparable properties. In some cases, this results in lower property taxes and, hence, a tax incentive to the property owner for properly managing the timberland. The local assessor should be contacted for more information specific to the tax incentive in a particular county and for a specific parcel.

## OBTAINING MANAGED TIMBERLAND STATUS

To initiate this process, the landowner must file, prior to July 1 of any year, a Contract for Managed Timberland Property Valuation, attesting that the property is devoted primarily to forest use and agreeing to manage the property under a multiple-use management plan. This is a one-time filing, and the contract remains effective until canceled by the landowner.

In addition, an annual Application for Certification as Managed Timberland must be submitted to the W. Va. Division of Forestry by September 1, including the first year, certifying that the property is being managed under a multiple-use management plan.

A copy of the written management plan must be made available to the W. Va. Division of Forestry upon request. If the County Assessor or the Tax Commissioner has cause to believe that a plan is not being followed, a request may be made to the W. Va. Division of Forestry to conduct an inspection to determine whether the property qualifies for the Managed Timberland Program and/or whether the management plan is being followed.

## FOR MORE INFORMATION

For the required forms and more detailed information regarding West Virginia's Managed Timberland Program, contact the W. Va. Division of Forestry by telephone at 304-558-2788 or by mail at 1900 Kanawha Boulevard, East, Charleston, WV 25305-0184.

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