

# Assessment & Tax of Woodlands

## Residential, Agricultural, & Classified Forest & Wildlands

Ima Buyer just purchased 20 acres of woodland in County Q. How her land will be assessed for property taxes depends on how Ima decides to use the land: residential or agricultural. Ima also can enroll her woodland in the Classified Forest & Wildlands Program which provides a property tax incentive in return for managing her property for forest products, wildlife and water quality. The tax rate for County Q is 1.8%

Ima would like to someday build a weekend cabin on the property, but for now she is going to use the property for hunting and hiking.

Ima purchased the property to grow timber. She hired a professional forester to help her develop a forest management plan and is preparing to implement the plan. She will also use the property to hunt and hike.

Ima is committed to keeping her woodland as a forest. She has no plans to build a house on the property, graze livestock, or grow crops. She plans to use the woods to grow timber, hunt, and hike. Ima has contacted her district forester and is working with him to develop a stewardship plan and enroll her land in the Classified Forest & Wildlands Program.

### Residential Assessment

County Q assesses excess residential acres at \$5,000 per acre based on similar sales in the area of Ima's property.

<b>(20 x \$5,000)</b>	<b>=</b>	<b>\$100,000</b>
<b>Excess Acre Assessment</b>		<b>Assessed Value</b>

<b>\$100,000</b>	<b>x</b>	<b>1.8%</b>	<b>=</b>	<b>\$1,800</b>
<b>Assessed Value</b>		<b>Tax Rate</b>		<b>Tax</b>

### Agricultural Forest Assessment

Agricultural forest assessments are determined by multiplying the agricultural base rate (\$2,050/ acre for 2015) by the soil productivity factor (Ima's soil is 0.9). This amount is then reduced by woodland influence factor of 0.8.

<b>20</b>	<b>x</b>	<b>\$2,050</b>	<b>x</b>	<b>0.9</b>	<b>=</b>	<b>\$36,900</b>
<b>Acres</b>		<b>Ag. Base Rate</b>		<b>Productivity factor</b>		<b>Extended Value</b>

<b>\$36,900</b>	<b>-</b>	<b>(\$36,900 x 0.8)</b>	<b>=</b>	<b>\$7,380</b>
<b>Extended Value</b>		<b>Woodland Influence Factor Deduction</b>		<b>Assessed Value</b>

<b>\$7,380</b>	<b>x</b>	<b>1.8%</b>	<b>=</b>	<b>\$132.84</b>
<b>Assessed Value</b>		<b>Tax Rate</b>		<b>Tax</b>

### Classified Forest & Wildlands (CFW) Program

The Classified Forest & Wildlands Program reduces the assessed rate of enrolled lands to \$1/acre.

<b>20</b>	<b>x</b>	<b>\$1</b>	<b>=</b>	<b>\$20</b>
<b>Acres</b>		<b>CFW rate</b>		<b>Assessed Value</b>

<b>\$20</b>	<b>x</b>	<b>1.8%</b>	<b>=</b>	<b>\$0.36</b>
<b>Assessed Value</b>		<b>Tax Rate</b>		<b>Tax</b>