

The Forest Management Plan: Property Tax Benefits



A Long Forestry Landowner Resource

Challenges of Land Ownership

Forest owners face an array of challenges when it comes to land ownership

- State tax laws
- Few state forestry programs
- Federal cost share programs
- Land management options



Reasons for Land Ownership

Reasons for owning land usually falls into one of these categories

- Investment
- Wildlife management
- Recreational use
- Land stewardship



All of these Reasons Require Active Land Management

- Financial nest egg for their children
- Premium wildlife habitat
- Woodland diversity
- Preservation
- All of the above



Fitting into one of these categories means specific objectives can be identified

Property Taxes

The dream of landownership can quickly be tarnished with your first property tax bill

- Today, forested acres in the state of Illinois are being taxed at the residential tax rate unless those acres have a certified forest management plan prepared for them
- A residential tax rate easily adds up to hundreds or even thousands of dollars in additional taxation per year on even the smallest parcels of land

Forest Development Act (FDA) in 1983

With the passage of the Forest Development Act the Property Tax Code was amended to provide a tax incentive for Illinois forest landowners

The law essentially says that forest landowners who have a certified forest management plan and enroll it into the FDA program will have their forested acres taxed at the agriculture base tax rate

Is there a Catch?

One requirement for enrollment into the program is...

- One of the objectives of the plan is to eventually have a timber sale
- The reasoning behind the tax law is that the forest landowners would treat their timber as a crop
 - Thereby improving the timber industry throughout Illinois



Do I have to Harvest my Forest?

It has to be an objective

- The management objectives of you plan must promote healthy stands of timber
- This means invasive species control, forest stand improvement, tree planting and prescribed burning
- All these activities are synonymous with:
 - Wildlife habitat improvement
 - Better recreational opportunities
 - Sustainable forestry practices



How do I Enroll into the FDA Program?

Contact your consulting forester who will...

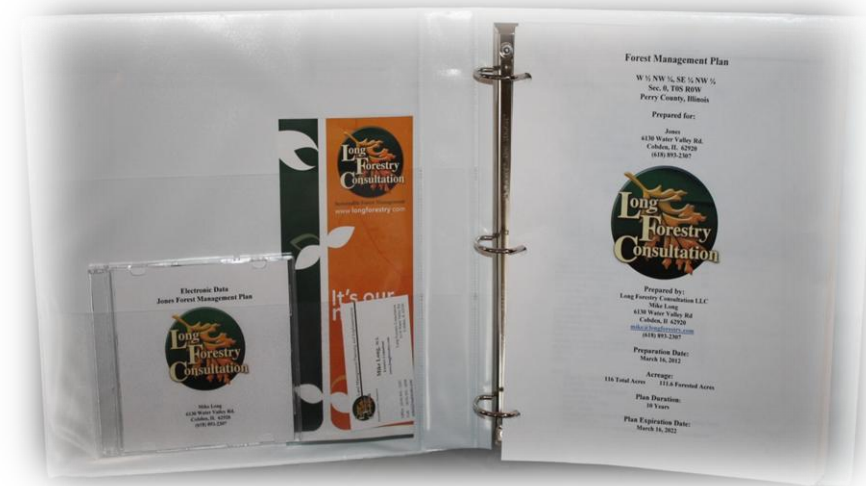
- Meet with you on the property
- Help identify your objectives for your property
- Will prepare a forest management plan to help you achieve those objectives in an efficient and economical manner
- Once the plan is completed and approved by the IDNR, it is put on file at the county assessor's office and the property tax break begins at the beginning of the next tax year



My Taxes are Fine

Why should I get a land management plan

- A forest management plan on file is a type of tax shelter in case of a sudden re-assessment
- When a property is re-assessed, the owner will pay the higher tax rate for at least one year until the plan becomes valid



Long Forestry works with forest landowners to help them acquire a fair and reasonable tax rate for their property.

We maintain contact with each county assessor and county IDNR District Forester to stay up to date on tax laws and plan requirements.

Call Long Forestry today to discuss your potential tax risks and how we can help protect you from increasing property taxes.

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Sustainable Forest Management