Designated Forest Land

JANUARY 2017

Washington State encourages sound forestry practices so that present and future generations can enjoy the many benefits they provide. In addition to scenic and recreational spaces, healthy forests provide:

- **An enhanced water supply.**
- **Reduced soil erosion, storm and flood damage.**
- **Habitat for wild game.**
- **Employment opportunities.**
- **Raw materials for products.**

As a way to encourage commercial forestry in Washington State, landowners may choose to have their land designated as forest land. This designation often results in a lower assessed value and lower taxes. Specific requirements must be met to qualify for this designation.

Requirements for Designated Forest Land

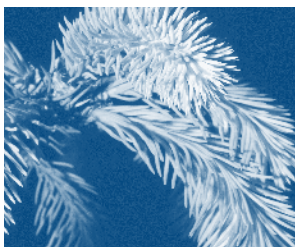
To request your land be designated as forest land, the following requirements apply:

- The land must be used primarily for growing and harvesting timber.
- The land must consist of a single parcel of 5 or more acres; or multiple, contiguous parcels totalling 5 or more acres. Residential home sites are not included in the 5 acre minimum.
- Designated forest land may include land used for incidental uses that are compatible with growing and harvesting timber, but no more than ten percent of the land may be used for such incidental uses.
- If the land has appurtenances necessary for the production, preparation, or sale of the timber products, that land may also be included.
- You must comply with forest practice laws and regulations.
- Application must be made to the county assessor.

Application for Designated Forest Land

You can get an application for Designated Forest Land from your local assessor's office. In some counties, an application fee may also apply. The application requires the following information:

- A legal description of, or assessor's parcel numbers for, all land you want designated as forest land.
- The date or dates of acquisition of the land.
- A brief description of the timber on the land, or if the timber has been harvested, your plan for restocking.
- If one exists, a copy of the timber management plan for the land, prepared by a forester or a person with adequate knowledge of timber management practices.
- If a timber management plan exists, an explanation of the extent to which the management plan has been implemented.
- Whether the land is used for grazing.
- Whether the land has been subdivided or a plat has been filed with respect to the land.
- Whether the land is managed in compliance with the restocking, forest management, fire protection, insect and disease control, and forest debris provisions of Title 76 RCW or any applicable rules under Title 76 RCW.

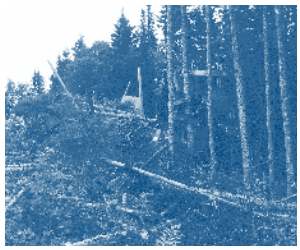


This fact sheet provides general information regarding Designated Forest Land. The information is current at the date of publication. Please note subsequent law changes may supersede or invalidate some of this information.

- Whether the land is subject to forest fire protection assessments under RCW 76.04.610.
- Whether the land is subject to a lease, option, or other right that permits it to be used for any purpose other than growing and harvesting timber.
- A summary of your past and current experience growing and harvesting timber.
- A statement that you are aware of the potential tax liability involved when the land is no longer designated as forest land.
- An affirmation that the statements contained in the application are true and that the land described in the application meets the definition of forest land in RCW 84.33.035.
- A description and/or map showing what areas of the land are used for incidental uses compatible with the definition of forest land in RCW 84.33.035.

The assessor may also require an applicant to provide a timber management plan when an application for classification or reclassification into designated forest land is submitted. For additional information on timber management plans, please refer to the Guidelines for Timber Management Plans publication or visit www.foresttax.dor.wa.gov

Submit your completed application to the assessor's office by December 31.



If approved, designated status begins January 1 the year after you apply. If the assessor does not notify you as to whether your application was approved or denied prior to July 1 of the year after you apply, the application is automatically approved. If denied, you may appeal the denial to the county board of equalization.

Valuation of Designated Forest Land

The Department of Revenue annually adjusts and certifies forest land values to be used by county assessors in preparing assessment rolls. The assessors assign the forest land values to the property based upon land grades and operability classes. The timber on Designated Forest Land is exempt from real property taxes but is subject to timber excise tax under chapter 84.33 RCW. For additional information on timber excise tax, please refer to the Timber Excise Tax publication or visit www.foresttax.dor.wa.gov

Removal from Designated Forest Land

Land may be removed from designation if:

- You choose to remove the land and you notify the assessor in writing.
- You sell or transfer the land to an ownership that makes the land exempt from ad valorem taxation.
- You sell or transfer the land to a new owner that does not sign a notice of forest land continuance.
- Determination by the assessor, after giving the owner written notice and an opportunity to be heard, that:
  1. The land is no longer primarily devoted to and used for growing and harvesting timber.
  2. You did not comply with a final administrative or judicial order with respect to a violation of the restocking, forest management, fire protection, insect and disease control, and forest debris provisions of Title 76 RCW or any applicable rules under Title 76 RCW.
  3. Restocking the land has not occurred to the extent or within the time specified in your designation application.

Compensating Tax

Upon removal, you will be required to pay compensating tax unless the removal meets one of the exceptions outlined in RCW 84.33.140(13) or (14). The amount of compensating tax is the difference between the last Designated Forest Land value and the new assessed value of the land. This amount is then multiplied by the last levy rate extended against the land and multiplied by the number of years the land was designated as forest land, not to exceed nine. Compensating taxes will also be due on the land from January 1 of the year the designation is removed up to the removal date.

Reclassification of Designated Forest Land

You may request the land to be reclassified (subject to all applicable qualifications for each classification) to the Current Use Program outlined in chapter 84.34 RCW, without paying the compensating tax. The Current Use Program offers three classifications:

- Open Space Land
- Farm and Agricultural Land
- Timber Land

For more information on these classifications, please refer to the Open Space Taxation Act publication.

Appeals

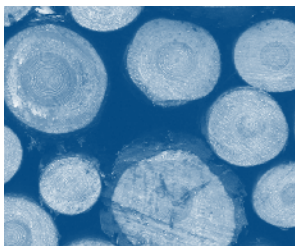
You may appeal the denial of your application for initial classification or reclassification as Designated Forest Land to the county board of equalization. You may also appeal any removals from designation as well as the new assessed value used to calculate the compensating tax.

Need More Information?

Please contact either your local assessor's office or the Property Tax Division at (360) 534-1400

Department of Revenue Taxpayer Assistance

- **Call our Telephone Information Center 1-800-647-7706**
- For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.



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Washington State

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