



# FOREST EXCISE TAX RETURN

## Private Land - Small Harvester

Quarter	Year
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Make any address changes above.

If permit ownership has changed, attach transfer information.

**NO HARVEST THIS QUARTER.** Check this box, sign your name at bottom and mail in page 1. Or call 1-800-547-9815 from WA, OR, or ID.

**ALL HARVESTING IS COMPLETED.** Check this box. You will no longer receive a return.

### SUMMARY TOTAL FROM DETAIL PAGE(S)

Detail Page #	County Name/ Number	Check to Delete Permit * (✓)	Permit Number	Land Type	Sec.	Twn	Rge E or W	Stumpage Value Area	Haul Zone	Check to Delete Sec.* (✓)	Check if No Harvest on this Sec. (✓)	Approved EARR Credit	Amount of EARR Credit	Total Taxable Stumpage Value

\* See Instructions for Closure

**DUE DATE:**

**CHECK ONE:**

- A  INDUSTRIAL LANDOWNER (wood using plant)
- B  LARGE LANDOWNER (over 1,000 acres)
- C  SMALL LANDOWNER (under 1,000 acres)

**AFTER DUE DATE  
 ADD PENALTY**  
 See rates and instructions on page 4

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Daytime Phone

\_\_\_\_\_  
Date

\_\_\_\_\_  
Email Address

<b>Grand Total Taxable Stumpage Value</b>	\$	
Tax Due = Grand Total Stumpage Value Times <b>Current Rate 0.05</b>	\$	x
		<i>(Do Not Round)</i>
Less EARR Credit	\$	-
Subtotal	\$	
Penalty	\$	+
		<i>(Do Not Round)</i>
<b>Total Amount Due</b>	\$	

**Make Check Payable To: Department of Revenue**

**If subtotal for the quarter is less than \$50, send completed return without a payment.**

## INSTRUCTIONS FOR PAGE 3 (Detail)

**Quarter/Year** – Enter the quarter and year being reported.

**Detail Page** – Enter the page number on each Detail page.

**Block 1** – Your Tax Registration Account Number is the 9-digit number printed above your name and address on page 1. The first 3 digits are 800.

**Block 2** – Timber owner's name.

**Block 3** – Landowner's name.

**Blocks 4 through 8** – Transfer the information from page 1.

**Block 9** – Enter the number of acres logged (rounded to the nearest acre) this quarter. Check one box for partial cut or clear cut.

**Block 10** – If harvesting is completed in this quarter, check yes; if not, check no.

**Block 11** – If the permit has been approved for the EARR as shown on page 1, check yes. If not, check no.

**Block 12** – Enter the net volume (MBF) of scaled conifer and hardwood logs and weighed conifer and hardwood logs. Convert the tons to MBF. Add together; this equals the total volume. This information may be obtained from your scale tickets, mill receipts, or your logger.

### Stumpage Value

When the land owner retains ownership of the timber until it is harvested and sold, the taxable stumpage value is the total log selling price minus the harvesting & marketing costs.

If ownership is transferred, a notice of transfer must be filed with the permitting agency. If the ownership of the timber is in question (undocumented), the responsibility for the Forest Excise Tax defaults to the landowner.

Forest Tax taxpayers are also subject to the **Business & Occupation (B&O)** tax for extracting timber. A small harvester is allowed an annual \$100,000 deduction on the B&O tax. A Small Business Credit may apply. Contact us at 1-800-548-8829 with any questions.

### Block 13 – Sale of Logs

**Line 1** – Enter the gross amount paid by the mill (including the logger's share).

**Line 2a or 2b** – Enter either the harvesting and marketing costs (2a) or department allowance (2b). You cannot apply both. Actual harvesting costs (2a) must be used in all instances where documented records are available.

Documented proof of costs must be available for audit. When the timber owner cannot document the actual costs, the Department will allow a percentage deduction from the gross log sales. Currently, the Department allowance is thirty five percent (35%). Records must be available for audit for five years.

**Line 3** – Subtract the harvesting & marketing costs (line 2a or 2b) from the gross amount (line 1) and enter on line 3. Transfer this amount to the Total Taxable Stumpage Value column on page 1.

**Harvesting and Marketing Costs (WAC 458.40.610)(10)** are only those costs directly and exclusively associated with harvesting timber and delivering it to the mill.

### Examples of Allowable Costs:

- Falling, bucking and yarding (skidding) costs.
- Loading and hauling costs.
- Slash disposal costs as required by the permitting agency.
- Building costs for temporary roads and purchases of temporary easements.
- Timber sale preparation costs such as cruising, timber marketing, sale administration and harvest administration. These costs need to be clearly documented in a written contract with a professional Forester.
- Timber harvesting permit fee(s).

### Examples of Costs Which Are Not Allowed:

- Property boundary surveys.
- Reforestation costs such as scarification, planting and fertilization.
- Cost of improvements such as permanent roads or bridges, land clearing and stump removal.
- Equipment purchases and repairs.
- Cost for labor when performed by timber owner.
- Forest Excise Tax.
- DNR or county conversion fees.

**Conversion costs** – Timber harvest costs must be documented separately from land conversion costs. Conversion work expenses such as stump removal, permanent roads, land clearing, and excavation are not allowable costs. If a clear separation cannot be documented, use the department allowance.

**Block 14 – Purchase of Standing Timber** - This applies to the purchase of timber that has not been cut from the stump. Harvest must occur within 24 months of purchase. Total Stumpage Value is the timber purchase price plus other considerations (permanent roads, reforestation, etc.). If harvest occurs more than 24 months after the purchase, use Block 13 or the published Stumpage Value tables.

**Total Taxable Stumpage Value** – Transfer Total Taxable Stumpage Value from Block 13 (3) or 14 to page 1 in the column that matches with the correct permit number.

**Block 15 – EARR Credit** - If the EARR Credit is allowed for this permit, multiply Total Taxable Stumpage Value by 0.008, this is the amount of your EARR credit. Transfer this amount to the EARR column on page 1 that matches the correct permit number.

Refer to page 1 to determine Total Amount Due.



# FOREST EXCISE TAX RETURN

## Small Harvester Detail

Quarter	Year
---------	------

See Instructions on Page 2

Detail Page # \_\_\_\_\_

- If you harvest more than 2 million board feet in a calendar year, you must report on a Standard Harvester Return.

### HARVEST FROM PRIVATE LAND

1. Tax Registration Account Number	2. Timber Owner	3. Landowner				
4. County Name/Number	5. Permit Number	6. Sec.	Twn	Rge <input type="checkbox"/> East <input type="checkbox"/> West	7. Stumpage Value Area	8. Haul Zone

9. Number of acres harvested this quarter:  
\_\_\_\_\_

Partial Cut     Clear Cut

*Check only one*

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10. Is harvesting completed for this permit?  
 Yes     No

*If yes, delete permit on page 1*

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11. Has DNR approved the EARR Credit for this permit? (Refer to page 1)  
 Yes     No

12. Volume Harvested this Quarter: (Round to the nearest MBF)	Conifer	Hardwoods
Net Scaled Logs (1 thousand board feet = 1 MBF)		
Net Weighed Logs Tons (volume that was weighed and not scaled, such as CHW or pulp). Divide tons by 8 to convert to thousand board feet (MBF)		
<b>TOTAL VOLUME</b>		

**Report under Block #13, or Block #14, but not both.**

	Harvest & Marketing	Itemized Costs (2a)
<b>13. Sale of Logs</b>	<b>Item</b>	<b>Amount</b>
1. Gross amount paid by mill ..... \$ _____		\$
2a. <input type="checkbox"/> Harvesting & Marketing Costs ..... (\$ _____)		\$
Actual H & M costs must be used when documented records are available.		\$
Itemize Costs To The Right ----->		\$
<b>OR</b>		\$
2b. <input type="checkbox"/> Department Allowance ..... (\$ _____)		\$
35% of gross amount (line 1)		\$
3. <b>Total Taxable Stumpage Value</b> ..... \$ _____		\$
<i>Transfer amount to page 1</i>	<b>TOTAL</b>	\$
		<i>Transfer to line 2a</i>

**14. Purchase of Standing Timber**

Total timber purchase price plus other considerations (permanent roads, reforestation, etc.). Harvesting and marketing costs are not allowed.

**Total Taxable Stumpage Value:** \$ \_\_\_\_\_

*Transfer amount to page 1*

**15. EARR Credit** – If block 11 is yes, then multiply Total Taxable Stumpage Value (Block 13 or 14) by 0.008, this is the EARR credit amount. ....

\$ \_\_\_\_\_

*Transfer amount to page 1*

**COMPLETE AND RETURN THIS PAGE WITH PAGE 1 TO THE DEPARTMENT OF REVENUE**

## INSTRUCTIONS FOR PAGE 1 (Summary)

Page 1 of the return is the Summary page. A Detail page (page 3) or several Detail pages will need to be filled out before completing page 1.

**Errors and Omissions** – If there are errors or omissions in the pre-printed information on page 1, cross out the errors. Enter correct information.

**No Harvest This Quarter** – If you did not harvest timber this quarter, check this box. **Or** call 1-800-548-8829 during normal business hours. **Or** call our automated line 1-800-547-9815, 24 hours a day, 7 days a week, from Washington, Oregon, or Idaho.

**All Harvesting is Completed** – If harvesting is completed on all sections and you do not want to receive future returns, check this box.

**Detail Page Number** – You must fill out a separate detail page for each permit. Identify by numbering this column to the corresponding detail pages you complete (upper right hand corner of the detail page).

**Delete Permit** – Check column if harvesting for all sections of this specific permit is completed. This will delete the permit from future tax returns.

**CAUTION:** A deleted permit indicates that harvest is completed for all sections under the permit. If the permit has been transferred, please attach transfer information.

**Delete Section** – Check column if harvesting for this section is completed. This will delete the section from future tax returns.

**Sections With No Harvest** – Check this column if no harvesting has occurred in this section.

**EARR Credit** – Taxpayers are allowed a credit for timber harvested under a DNR approved permit subject to Enhanced Aquatic Resource Requirements (EARR). Look for the **yes** in the EARR credit column on page 1 of your tax return to determine eligibility.

**Optional Reporting Method** – If you harvest less than two million board feet in a calendar year you are also eligible to report using the **Standard Harvester** method which calculates tax based on the Department's Stumpage Value Tables. These forms and tables can be requested by phone or by accessing our Internet home page at [www.foresttax.dor.wa.gov](http://www.foresttax.dor.wa.gov).

### CALCULATIONS:

- **Grand Total Taxable Stumpage Value** – Add the Total Taxable Stumpage Value column. Enter the amount in the Grand Total Taxable Stumpage Value box at the bottom of page 1.
- **Tax Due** – Multiply the Grand Total Taxable Stumpage Value amount by the current rate (0.05) and enter the tax due in this box.
- **EARR Credit** – Add all amounts from the EARR Credit column on page 1. Enter this amount in the Less EARR Credit box.
- **Subtotal** – Subtract the EARR Credit from the Tax Due. Enter this amount in the Subtotal box.
- **Penalty** – Return must be postmarked by the due date to avoid penalties.
- **Penalty Calculation:** Subtotal multiplied by the appropriate penalty rate.

Penalty rates:

- 5% penalty assessed after due date;
  - 15% penalty assessed after the last day of the month following the due date;
  - 25% penalty assessed after the last day of the second month following the due date.
- **Total Amount Due** – Subtotal plus Penalty equals Total Amount Due. **Make check payable to: Department of Revenue.** (If the tax due minus the EARR credit is less than \$50, send the return without payment.)

**Signature and Telephone Number** – Sign your name, print your name. Enter your daytime telephone number with area code. Enter the date. Enter your Email address (optional).

To request this document in an alternate format, call 1-800-647-7706. Teletype (TTY) users may call (360) 705-6718.