

# Forestland

Forestlands are important to Oregon's economic and environmental health. The Oregon Legislature established several special assessment programs that reduce taxes for forestland owners in order to recognize and encourage timber growth and harvest.

## Forested land versus Forestland

**"Forested land"** is land that supports natural vegetation that includes tree species.

**"Forestland"** is land that meets the criteria detailed in Oregon Revised Statute (ORS) 321.257(2) for western Oregon. It also includes land that is designated as forestland and meets the species, stocking and acreage criteria in Oregon Administrative Rule (OAR) 150-321-0340 for western Oregon.

## Highest and best use (Undesignated Forestland)

Lands where the best, most economically productive use is to grow timber and other forest products. This determination is based on appraisal judgment and determined by the county assessor. The landowner doesn't apply for this assessment.

## Designated Forestland (DF)

Land that has a higher and better use than forestland that has been designated as forestland at the request of the landowner with the approval of the county assessor. ***The land must be held or used for the predominant purpose of growing and harvesting trees of a marketable species.*** The landowner must apply for this assessment.

## Small Tract Forestland (STF) option

This program serves as an alternative option to the forestland special assessment program. The land must meet the criteria of forestland special assessment. Owners are eligible if they own at least 10 acres, but less than 5,000 acres of qualified forestland in Oregon. The benefit to the owner is that the land is taxed at 20 percent of the value assessed on forestland properties. A severance tax is then applied to timber harvested from STF land to recover the revenue loss

from the reduced assessment on the land.

### Disqualification of Forestland Special Assessments

The potential additional tax (PAT) is calculated as the difference between the taxes that were assessed against the land and the taxes that would have been assessed against the land had the land not been specially assessed.

- DF the PAT is calculated for up to 5 years.
- STF PAT is calculated for up to 10 years for the difference between STF and DF and will revert to DF.
- Undesignated Forestland cannot be disqualified but it is up to the opinion of the Assessor and can be **declassified**. Once declassified the land will be taxed at market value, the owner may apply for designated forestland if land meets the qualifications for DF.

**Following a disqualification any land that is no longer in a special assessment program will be based on market value as calculated under ORS 308.156.**

Application Fee	\$75
Small Tract Late Filing Fee	Set By Statute
Request for Disqualification Fee	\$150
Request for Disqualification Estimate Fee	\$150

### Supporting Documents

Forestland Informational Circular 68.58 KB
Designated Forestland Application 109.59 KB
Small Tract Forestland Application 57.87 KB
List of Consulting Foresters as provided by the Oregon Dept of Forestry 16.7 KB
Request for Disqualification Estimate Form 122.34 KB

