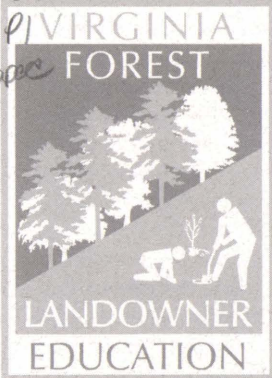


# VIRGINIA FOREST LANDOWNER UPDATE

Events, news, and information promoting the stewardship of Virginia's natural resources.



**WELCOME** to the *Virginia Forest Landowner Update!* You and your family or organization are invited to learn about your role in Virginia forest stewardship by attending the events listed within these pages. These programs will provide practical information to forest landowners, natural resource professionals, youth and other interested parties on the many components of sustainable forestry.

**Update sponsors include:**

- Virginia Department of Forestry
- Virginia Tech College of Natural Resources
  - Department of Forestry
  - Cooperative Extension
- Virginia Department of Game & Inland Fisheries
- Virginia Forestry Association

**TO SUBMIT EVENTS AND ADDRESS CORRECTIONS...**

If your organization is sponsoring a natural resource education program or you would like to make a change of address, please contact: *Dylan Jenkins*  
Virginia Cooperative Extension  
216 Cheatham Hall (0324)  
Blacksburg, Virginia 24061  
phone: 540/231-6391  
fax: 540/231-3330  
e-mail: [dylan@vt.edu](mailto:dylan@vt.edu)

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## Riparian Forest Buffer Tax Credit: Questions and Answers

The Virginia Department of Forestry (VDof) has received numerous questions regarding Virginia's new Riparian Forest Buffer Tax Credit. The following article is intended to answer woodland owners' most frequently asked questions (FAQ) about the credit. An exhaustive FAQ and answer list may be found on the VDof website at: <http://www.dof.state.va.us/>

### Overview of the Tax Credit

The 2000 General Assembly enacted the Riparian Buffer Tax Credit to provide a non-refundable tax credit to individuals or S corporations who own land on which timber is harvested, which abuts a waterway, and who forebear timber harvesting on certain portions of their land for 15 consecutive years. The amount of the tax credit is equal to 25 percent of the value of the timber retained as a buffer up to \$17,500. If the amount of the credit exceeds the landowner's tax liability in the first year, the excess may be carried over for credit against income taxes in the next five taxable years until the total amount of the credit has been taken. Applicants must have a Forest Stewardship Plan for their tract to qualify and a separate application must be completed for each tract.

Sign-up for the tax credit will be continuous year-round and is effective beginning January 1, 2000. Sign-up will be taken on the VDof Tax Credit Application Form 179 and the applicant's harvesting operation must be complete in order to qualify for the credit. Applicants should allow 30 days for VDof approval and are encouraged to contact their local VDof office for assistance. The VDof county forester will certify the tax credit application on the form to be filed with the applicant's Virginia Income Tax Return.

### Tax Credit Requirements

Individuals and S corporations wanting to apply for the riparian buffer tax credit must provide the following information to their local/county VDof office:

- Completed Tax Credit Application Form 179;
- Copy of VDof approved Stewardship Management Plan [note: the criteria for a Stewardship Plan (meeting national standards) are available from the VDof; plan may be written by the VDof or consultant forester; tract must be at least 10 acres in size, including the contained buffers];
- Proof of land ownership (copy of title or deed, copy of previous year's tax bill, etc.);



The Riparian Buffer Tax Credit Program is administered by the Virginia Department of Forestry (VDof). For more information or to enroll, please contact the VDof at 804/977-6555, or visit the VDof website at: <http://www.dof.state.va.us>

- Specific description of buffer including location, dimensions, and digital map file with georeferenced coordinates for each buffer boundary;
- Proof of value of timber remaining in the buffer from specific riparian buffer cruise or prorated value from overall harvesting operation based on acreage. A copy of the Final Harvest Inspection Form must be obtained from the local VDof office and attached to the application package.

### Buffer Specifications

Qualifying riparian buffers must be at least 35 feet wide but no greater than 300 feet wide and must be intact for 15 years. Each side of the stream may be considered a separate buffer. Qualifying buffers may be found on any perennial or intermittent stream as defined by the U.S. Geological Survey (USGS) or found on a USGS 1:24,000 topographic map. The harvest area adjacent to the riparian buffer must have more than 50 percent of the basal area harvested. At least 50 percent of the crown cover must remain within the buffer zone following harvest.

Water quality violations must be resolved before the landowner is eligible for the tax credit. Human-caused land disturbances that reduce the effectiveness of the buffer, including allowing livestock access, will disqualify the area. Failure to maintain the riparian buffer intact will result in the applicant being required to refund all or part of the tax credit and applicants are responsible for the maintenance of the buffer regardless of changes in the control of the land. Practice failures either by insect infestations or catastrophic events will be documented by the VDof at the request of the landowner. In the case of a natural disturbance, the applicant may conduct a salvage harvest in accordance with a revised Forest Stewardship Plan. Applicants must ensure compliance by replanting or allowing natural regeneration to occur. The VDof will annually conduct spot inspections of certified tracts. All riparian tax credit applicants are subject to spot checks for program compliance during the 15 year contract.

**Riparian continues on page 5**

## EVENTS CALENDAR

event contact	date/location	event/description (preregistration requested unless noted otherwise; TBA = to be announced)	time	fee
		<b>Spring 2001 Forest Landowner Short Course Series:</b> Whether you own 5 acres or 500, these courses are for all woodland owners! Designed to help landowners identify and inventory their woodland resources and develop actions to meet their objectives. Courses emphasize sustainable forestry practices, soil and water quality protection, and sources of professional and financial assistance. Taught by local natural resource professionals; course fee includes comprehensive resource guide.		
	<i>Three different courses offered at 15 locations:</i>			
	<i>Five classes and locations:</i>	<b>Woodland Options for Landowners.</b> Overview of forest and wildlife management concepts and practices; topics include: management planning and objectives, resource assessment, sources of assistance, basic pine and hardwood forest ecology and management, basic wildlife management, and land conservation strategies.		
GD	Jan. 11 - Feb. 1	<i>Shenandoah County - New Market; Thursday evenings</i>	6:30-9:30pm	\$35.00
DC	Jan. 17 - Feb. 14	<i>Albemarle County - Charlottesville; Wednesday evenings (earns 1 credit hour, Piedmont CC)</i>	6:30-9pm	\$45.00
PT	February 10	<i>Gloucester County - Glens; one all-day session; includes lunch</i>	8:30am-4:30pm	\$35.00
PT	February 24	<i>Richmond County - Warsaw; one all-day session; includes lunch</i>	8:30am-4:30pm	\$35.00
RP	Feb. 22 - Mar. 15	<i>Spotsylvania County - Fredericksburg; Thursday evenings</i>	6:30-9:30pm	\$35.00
		<b>Sustainable Timber Marketing and Harvesting.</b> Designed for landowners considering a timber harvest on their woodlands; topics include: sustainable harvesting practices, water and soil quality, environmental regulations, timber sale planning, timber sales contracts, timber taxation, cost share programs, and conservation easements.		
	<i>Nine courses and locations:</i>			
JB	Jan. 30 - Feb. 20	<i>Campbell County - Lynchburg; Tuesday evenings</i>	6-9pm	\$35.00
JB	Feb. 1 - Feb. 22	<i>Franklin County - Rocky Mount; Thursday evenings</i>	6-9pm	\$35.00
JB	Feb. 1 - Feb. 22	<i>Halifax County - Halifax; Thursday evenings</i>	6-9pm	\$35.00
JB	Feb. 6 - Feb. 27	<i>Prince Edward County - Farmville; Tuesday evenings</i>	6-9pm	\$35.00
JB	Feb. 8 - Mar. 1	<i>Brunswick County - Alberta; Thursday evenings</i>	6-9pm	\$35.00
CS	Feb. 19 - Mar. 19	<i>Suffolk City - Suffolk (no class March 5); Monday evenings</i>	6:30-9:30pm	\$35.00
JR1	Mar. 1 - Mar. 22	<i>Louisa County - Louisa; Thursday evenings</i>	6:30-9:30pm	\$35.00
DC	Apr. 4 - May 7	<i>Albemarle County - Charlottesville; Wednesday evenings (earns 1 credit hour, Piedmont CC)</i>	6:30-9pm	\$45.00
		<b>Wildlife Options for Landowners.</b> Principles and techniques for enhancing game and nongame wildlife species on private lands; topics include: basic wildlife requirements, applied habitat ecology and management, forest practices, habitat structures, open field management, riparian forests and corridors, and wildlife damage.		
	<i>Two courses and locations:</i>			
DC	Feb. 21 - Mar. 28	<i>Albemarle County - Charlottesville; Wednesday evenings (earns 1 credit hour, Piedmont CC)</i>	6:30-9pm	\$45.00
RK	March 31	<i>Patrick County - Critz/Reynolds Homestead; one all-day session; includes lunch</i>	8:30am-4pm	\$35.00
EH	January 29 Roanoke, VA Moose Lodge VA Rt. 311	<b>Tri-County Forestry and Wildlife Association Dinner Meeting.</b> Meet regional landowners (Roanoke, Botetourt, and Craig Counties) and natural resource professionals for social and dinner. Presentation by Dept. of Game and Inland Fisheries game biologist Patty Moore on quail and songbird management. No fee for dinner, preregistration required.	6-9pm	no fee
AR	February 3 New Castle, VA Camp Mitchell	<b>Virtually Wild Ginseng: A How-to-Grow Workshop.</b> Ginseng expert Syl Yunker will conduct lecture on virtually wild ginseng production. After lunch, group will visit nearby Jefferson National Forest to identify ideal ginseng habitat. <i>Bring your own lunch.</i> Optional video available for \$20 fee. Website at: <a href="http://www.sfp.forprod.vt.edu">http://www.sfp.forprod.vt.edu</a>	9am-3pm	no fee
JR2	February 8 Lexington HoJo I-81, Exit 195	<b>Rockbridge Area Forestry and Wildlife Association Dinner Meeting.</b> Join regional landowners and natural resource professionals for social and dinner. Presentation by retired US Fish and Wildlife Service biologist David Olsen on North American wildlife.	6-9pm	\$12.00
DW	February 13-14 Blacksburg, VA	<b>Timber Income Tax Workshop.</b> Timber Tax expert Harry Haney will provide participants with a working knowledge of the major federal income tax aspects of timber resource management. Emphasis placed on recent tax changes for timber investment, marketing, and management planning. Course fee includes lunches, refreshments, and complete set of instructional materials.	all day each day	\$275.00
		<b>Tending the Forest: Intermediate Stand Management for Forest Quality &amp; Growth.</b> Forest resource managers, consultants, and landowners will learn how to plan and execute intermediate stand management activities (i.e., crop tree management, herbicide use, economic tools) to dramatically improve the economic value, aesthetics and wildlife habitat of working forests.		
	<i>Two dates and locations:</i>			
SM	February 14	<i>Nashville, NC - Nash County Extension Center</i>	8am-4:45pm	\$95.00
SM	February 15	<i>Marion, NC - McDowell Technical College</i>	8am-4:45pm	\$95.00

## USING THE CALENDAR

For more information or to register for a specific event, identify the event contact (whose initials are to the left of the event), by referring to the "Event Contacts" information box (for example VT = Virginia Tech).

event contact	date/location	event/description (preregistration required unless noted otherwise; TBA = to be announced)	time	fee
		<b>Quail and Songbird Management Workshops.</b>		
	<i>Two dates and locations:</i>	Topics include quail ecology, recent research findings, songbird habitat management, identification, timber management for early successional species, and warm season grasses.		
TB	February 23	Prince George County	8am-4pm	no fee
TB	March 16	Mecklenburg County - Clarksville	8am-4pm	no fee
PC	March 4-6 Blacksburg, VA	<b>2001 Virginia Gamebird Conference.</b> For anyone working with gamebird propagation or interested in gamebird hunting. Conference will provide producers and preserve operators opportunity to learn effective game bird raising and holding, successful preserve establishment and providing a safe hunting experience.	all day each day	\$75.00
DW	March 14 Roanoke, VA	<b>Virginia Tech GIS and Remote Sensing Research Symposium.</b> Participants will share information about recent advances in GIS and remote sensing applications in Virginia. Meeting will feature opportunities to interact with colleagues, students, and business representatives. Keynote address will be followed by 12-15 papers and presentations.	8am-6pm	\$100 \$125 after 2/28
AR	March 31 New Castle, VA Camp Mitchell	<b>Shiitake Mushroom Marketing and Production.</b> Successful shiitake mushroom producers, Milt and Kay McGrady will talk on commercial mushroom production and marketing. Business planning for special forest products will be discussed.	9am-2pm	no fee
DW	April 4-5 Blacksburg, VA	<b>Landowners' Guide to Conservation Easements.</b> For consulting foresters, woodland owners and others wanting to learn more about conservation easements as tools to protect land use. Overview of what conservation easements are and how they are used to meet landowner management and conservation goals. Topics include advantages and disadvantages of easements, tax aspects, planning, and landowner experiences.		\$275.00
FLA	April 18-20 Alexandria, VA	<b>Forest Landowner's Annual Southern Forestry Conference.</b> 60 years of service to forest landowners. More details in the next <i>Landowner Update</i> .	all day each day	TBA
VFA	April 27-29 Williamsburg, VA	<b>Virginia Forestry Association Annual Conference.</b> Mark your calendars now; more details in the next <i>Landowner Update</i> .	all day each day	TBA
AR	April 28 New Castle, VA Camp Mitchell	<b>Growing Ginseng for Domestic and Asian Markets.</b> Workshop will focus on emerging production and marketing trends of American ginseng for Asian consumers both abroad and in the U.S. Ginseng expert David Cooke will discuss potential of developing a grower's network to facilitate direct marketing, as well as opportunities for Appalachian producers to sell directly to China. Course will also address goldenseal and black cohosh.	9am-2pm	no fee

## EVENT CONTACTS

for more information or to register for a specific event, please contact:

event contact	name/affiliation	phone	fax	e-mail
AR	Ann Rogers, Total Action Against Poverty (TAP)	540/345-6781		AnnR99@aol.com
CS	Clif Slade, Suffolk City Cooperative Extension	757/925-6405	757/925-6406	clslade@vt.edu
DC	David Coffman, Virginia Department of Forestry	804/977-6555	804/296-2369	coffmand@dof.state.va.us
DW	David Waterman, Virginia Tech Division of Continuing Education	540/231-5486	540/231-3306	dmwater@vt.edu
EH	Ellen Horn, Tri-County Forestry and Wildlife Association	540/864-6701		
FLA	Forest Landowners Association	800/325-2954	404/325-2955	
GD	Gary DeOms, Frederick County Cooperative Extension	540/665-5699	540/722-9354	gdeoms@vt.edu
JB	Janice Bryant, Appomattox County Cooperative Extension	804/352-7114	804/352-8661	jabryant@vt.edu
JR1	Jim Riddell, Louisa County Cooperative Extension	540/967-3424	540/967-3489	jriddell@vt.edu
JR2	Jonathan Repair, Rockbridge County Cooperative Extension	540/463-4734	540/463-5981	jrepair@vt.edu
PC	Phillip Clauer, Virginia Tech Dept. of Animal and Poultry Sciences	540/231-9185	540/231-3010	pclauer@vt.edu
PT	Pat Tyrrell, Tidewater Resource Conservation and Development	804/443-1118	804/443-1511	
RK	Richard Kreh, Virginia Tech - Reynolds Homestead FRRC	540/694-4135	540/694-2971	rkreh@vt.edu
RP	Regina Prunty, King George County Cooperative Extension	540/775-3062	540/775-5645	rprunty@vt.edu
SM	Susan Moore, North Carolina Forestry Education Outreach Program	919/515-3184		susan_moore@ncsu.edu
TB	Trisha Butcher, Virginia Department of Game and Inland Fisheries	804/598-3706		tbutcher@dgif.state.va.us
VFA	Virginia Forestry Association	804/741-0836	804/741-0838	judy@vaforestry.org

## Landowner Income Opportunities Include Honey

by Tom Hammett

Virginia Tech - Department of Wood Science and Forest Products

*Editor's note:* This article is the first in a series on special forest product income opportunities for forest landowners. These articles are based on a series of fact sheets available from Virginia Tech's Department of Wood Science and Forest Products. Future articles will focus on medicinals, i.e., black cohosh, ginseng, echinacea, and goldenseal, nuts, mushrooms, and other products. Fact sheets contain more detail on financing and establishing specific forest product enterprises and may be obtained by contacting Tom Hammett at 540/231-2716; himal@vt.edu.

Honey is made into dozens of products, all offering sources of additional income to forest landowners. Collection and packaging honey is a traditional and well known business. With a minimum amount of training and equipment, landowners can make use of a wide range of species for honey production including aster, basswood, black mangrove, buckwheat, clovers, cotton, fireweed, goldenrod, sage, sourwood, soybeans, and tupelo.

### Equipment and Extraction

A wooden beehive housing a full colony of bees consists of hive stand, bottom board, brood chamber, queen excluder, super, inner cover, and hive cover. Most pieces are made from wood with some metal (aluminum) components. The hive stand keeps the hive off the ground, making it less likely to rot, flood, or be attacked by termites. The hive body or the brood chamber rests on the bottom board, and holds the frames. The queen excluder is placed above the brood chamber to ensure that brood rearing is confined to this area. The supers, chambers above the brood chamber, are used to store surplus honey.

Honey is extracted from the honeycomb in the supers. The wax capping that seals the honey in the cells is cut away with a heated or uncapping knife. After the cappings on both sides of the frame are cut, the frame is placed in either a radial or basket-type extractor. The extracted honey should be strained to remove wax, bees, and debris, and kept in a holding tank until it can be put into small containers for sale. It is advantageous to know where the honeybee has been foraging. You will know what type of honey you have produced and how to label it for the market.

### Related Products

Many other products are derived from beehives. Principal among them are beeswax, propolis, pollen, bee broods, royal jelly and bee venom.

**Beeswax:** There is a huge demand for beeswax in the wax industry. Wax foundation is a sheet of wax that is pressed between metal dies so it comes embossed on both sides with the cell pattern bees follow in constructing cell sized for raising workers.

As the foundation is expensive, all cappings, old combs, and extra wax should be saved.

**Propolis:** A resinous substance that is used by bees to seal up their hive for winter protection and defense, propolis comes from the sticky exudations of trees and buds. Propolis is sold in capsules at health food stores, as a health supplement.

**Bee brood:** Bee brood is rich in proteins, but is not used much in the human diet; it is used on a small scale as food for birds, reptiles, and fish.

**Pollen:** Pollen is protein-rich powder collected by placing pollen traps on the hives. Pollen can be sold to health food stores, to pollination businesses, to bee dealers, and to allergy victims.

Health food stores sell pollen pellets as a vitamin supplement, bee dealers use pollen as bee food, and allergy victims use it as a desensitizing agent.

**Royal jelly:** Royal jelly is manufactured by young nurse bees to be fed to the queens and queens' larvae. It is collected and used in the Orient for medicinal purposes.

These uses include cosmetics, lotions, and dietary supplements.

**Bee venom:** Some components of bee venom may be more effective than other serums in desensitizing people who are allergic to bee venom. Bee venom may also be useful for persons with rheumatoid arthritis.

### Medicinal Properties

Honey has been acclaimed for its numerous medicinal properties. It is well known as a remedy for sore throats and for its nutritive value. Added to an infusion of yarrow, honey is used for influenza and as a nutrient tonic. Taken with milk, it is useful in cases of stomach ulcers and anemia. Glycerin and honey in equal parts is good for bruises, chafing, and chaps on the face and hands.

### Marketing

The U.S. Department of Agriculture has established voluntary standards for extracted honey and honeycomb products. Honey can be retailed locally at farmers' markets, craft fairs, and festivals or through large commercial beekeepers. Private groceries and health food stores often stock local honey. Honey is also sold in specialty products such as whipped or blended, creamed, and flavored honey, as well as fruit spreads mixed with honey in gourmet markets.


Propolis and bee pollen is sold to manufacturers of natural health foods. Natural supplements and herbal medicines use pollen and royal jelly. Other products include additives to skin products, shampoos, lipsticks, and mouthwashes. Pollen products are sold as liquid (with honey), capsules, granules, and candy bars.



Visit Virginia Tech's Special Forest Products (SFP) Web Site at:

<http://www.sfp.forprod.vt.edu/>

This site contains information on marketing special forest products, upcoming workshops, and links to other sfp sites.

Beeswax is sold for candle making and wax foundation. The cosmetic and related industries are the largest consumers of beeswax, which use it in many products such as facial beauty creams, ointments, lotions, and lipsticks. Beeswax is also used in waterproofing materials, for floor and furniture polishes, for grinding/polishing lenses, children's crayons, candy and chewing gum, ski and ironing wax, and wax for bow strings used in archery. 



For more information on honey as an income opportunity, review the following resources:

### Selected Publications

Bambara, Stephen B. and Nancy A. Leidy. 1991. *An Atlas of selected Pollen important to Honey Bees in the Eastern United States*. North Carolina State Beekeepers Association. Raleigh, North Carolina. 38 p.

Delaplane, Keith S. 1993. *Honey Bees and Beekeeping: A year in the life of an apiary*. University of Georgia, Cooperative Extension Service. 138 p.

Graham, Joe M. (ed.). 1992. *The Hive and the Honey Bee*. Dadant & Sons. Hamilton, Illinois. 1,324 p.

Morse, Roger A. 1994. *The new complete guide to Beekeeping*. The Countryman Press. Woodstock, Vermont. 208 p.

### Selected Websites

Visit the Virginia Tech Beekeeping Website at: <http://everest.ento.vt.edu/~fell/apiculture/apicult.htm>

For more information on beekeeping, honey, and bees, visit the beekeeper's homepage at: <http://ourworld.compuserve.com/homepages/Beekeeping/>

Information on honey from top-bar hives can be found at Top Bar Hive Beekeeping: An Alternative to Conventional Beekeeping at: <http://www.gsu.edu/~biojdsx/main.htm>

The American Beekeeping Federation at: <http://www.abfnet.org/>

For pointers to other beekeeping and apicultural resources visit the website of Internet Apiculture and Beekeeping Archive at: <http://metalab.unc.edu/bees/home.html>

For a comprehensive account of honey bees and beekeeping, visit the Honey Bees and Beekeeping website at: <http://www.ces.uga.edu/pubcd/b1045-w.html>

## Riparian from page 1

### Some frequently asked questions:

**Q1.** Who measures the riparian buffers and how?

**A1.** The VDOF will not map or measure the riparian buffers. Private forestry consultants or landowners will map the boundary and provide an electronic, georeferenced file to the VDOF.

**Q2.** Do estates or trusts qualify for the credit?

**A2.** No, the Code states, "...individual...partnership or S corporation." Estates and trusts do not qualify because they do not file on Form 770.

**Q3.** How many acres must be harvested?

**A3.** At least as many acres must be harvested as are retained in the buffer area. The minimum tract size (harvest and buffer area total) is 10 acres. If 5 acres are harvested, with at least 50% basal area removed, then a tax credit could be claimed on a 5 acre buffer.

**Q4.** Can landowners deduct the cost of mapping and Stewardship Plan development from their taxes?

**A4.** Yes, if these costs are incurred before and in preparation for the timber sale, then these costs could be considered part of the timber sale and are deductible. **U**

### Web-based Forest Landowner Course Update

The Virginia Forest Landowner Education Program will implement its new web-based forest landowner course in early summer 2001. In addition to online assignments, course activities encourage landowners to conduct basic resource inventories on their own woodlands. Participants will also have the opportunity to meet local natural resource professionals and regional landowners. Registration will begin this spring and more details will be appear in the spring *Update*.

If you are interested in being added to the course mailing list, please contact Dylan Jenkins at 540/231-6391; [dylan@vt.edu](mailto:dylan@vt.edu). **U**

## Camp from page 6

agement subjects by professional foresters, wildlife biologists, and resource specialists. The volunteer staff counselors represent the many sponsoring companies, agencies, organizations, as well as graduate students and Vo-Ag and Environmental Science teachers.

Campers are selected from nominations made by teachers, forestry and wildlife professionals, Soil and Water Conservation Districts, Envirothon coaches, 4-H and Scout Leaders. Campers must be ages 13-16, in good academic standing and cannot be previous attendees. All students selected to attend Camp are awarded a scholarship to cover Camp expenses and materials. Campers pay a \$35 registration fee to confirm their attendance and acceptance of the matching scholarship. If you know of a deserving student or educator and would like to nominate them for attending Camp contact David Coffman, Camp Coordinator at: Virginia Department of Forestry, 900 Natural Resources Dr. #800, Charlottesville, VA 22903; phone: 804/977-6555, ext. 3342, or complete a nomination form on the web at: [www.dof.state.va.us](http://www.dof.state.va.us). **U**

## RESOURCE REVIEW

### Tax Resources for Forest Landowners

by Dylan H. Jenkins

It's tax time again. And for the thousands of Virginia forest landowners that harvested timber during 2000, reporting taxes will be an extra challenge. While generating timber revenue is not the primary objective for most woodland owners, over 50 percent of all Virginia forest landowners have harvested timber in the past. Of those who have not, 40 percent intend to cut in the next ten years. Unfortunately, most landowners conduct timber sales with little or no planning. Trees are big money in the Southeast and timber sale revenue can easily bump landowners into the next tax bracket. Whether you cut timber this year or in the future, there are steps all landowners should take now to reduce their tax burden. The following resources are recommended to provide educational, not legal, advice by helping landowners interpret the Internal Revenue Code (IRC) and aid landowners in asking the right questions of their foresters, lawyers, and accountants. All resources are available over the internet and websites are listed immediately below the resource. The bottom line for conducting a timber sale (or any forest management activity) is that financial and ecological mistakes occur most frequently in the absence of a plan. Plan *before* you act!

#### National Timber Tax Website

<http://www.fnr.purdue.edu/tax>

The *National Timber Tax Website* is a one-stop shop for forest landowners, accountants, attorneys, and consultant foresters unfamiliar with the "tax treatment of timber," or who want to learn about recent changes in the tax code that affect timberland ownership. This website contains major sections on tax strategies, financial and estate planning, and new developments including recent changes to the IRC, recent case law, and new or proposed legislation. In addition, the site contains links to state and federal tax forms, instructions and publications, full text of relevant sections of the IRC, summary of state timber tax laws, links to other tax sites, state and federal natural resource agencies and more. An excellent tax resource.

#### Tax Tips for Forest Landowners for the 2000 Tax Year

[http://www.southernregion.fs.fed.us/spf/documents/Tax\\_Tips\\_Final%20\\_2000.pdf](http://www.southernregion.fs.fed.us/spf/documents/Tax_Tips_Final%20_2000.pdf)

*Tax Tips for Forest Landowners for the 2000 Tax Year* is an annual two-page report reviewing important tax strategies for forest landowners and highlighting important new developments in federal timber tax regulations. Strategies include establishing your basis, understanding passive loss rules, capital gains and self-employment taxes, cost-share payments, casualty losses, and management and maintenance expenses. Author Larry Bishop notes that landowners will generally receive the best tax treatment if they are classified as

"materially participating" in a timber business. Under this classification, all management expenses, property taxes, and interest on indebtedness are fully deductible against income from any source. However, to claim and support material participation, landowners *must* keep good records. Good recordkeeping and other important tax filing points are also summarized.

#### Forest Owners' Guide to the Federal Income Tax

<http://www.soforext.net/formgmt/aghandbook.html>

*Forest Owner's Guide to the Federal Income Tax* is the definitive resource for woodland owners and tax professionals on forest land taxation. In addition to presenting methods of analyzing forestry investments and explaining the Federal income tax as it pertains to timber, this guide also provides a system and blank forms to enable landowners to keep the necessary records for tax purposes and to assist landowners in more effectively managing timber investments. The guide clearly explains timber management and investment concepts, and uses real-world examples to explain: cost and income considerations; casualties, thefts, and condemnations; Christmas tree production; conservation easements; business organization; recordkeeping; appeals procedures; and sources of tax assistance. Also known as *USDA Agriculture Handbook No. 708*, the guide is current as of January 1995, is now being revised, and may be available in January 2001 as *Ag. Handbook No. 718*. Copies are \$15.00 and may be ordered through the U.S. Government Bookstore, First Union Plaza, Suite 120, 999 Peachtree St., NE, Atlanta, GA 30309-3964; phone 404/347-1900.

#### Estate Planning for Forest Landowners

<http://www.soforext.net/pdfs/estate.pdf>

Do you have an estate plan? The answer is yes! If you haven't planned for your estate, your State has a plan for you (but probably not the one you want)! *Estate Planning for Forest Landowners* is a critical reference for woodland owners in developing strategies to transfer their woodland estates. The guide is designed to provide landowners with a working knowledge of the Federal estate and gift tax law as it relates to estate planning for timberland owners. Divided into four main sections, the guide discusses: the foundations of estate planning; general estate planning tools; forestry-specific estate planning tools; and various forms of timberland ownership, alternative business structures for timber estates, and State death taxes. This comprehensive guide also includes an appendix with a glossary, selected IRS tables, selected tax forms, and a list of selected additional readings on estate planning. No longer available in hard copy.

#### Taxes continues on page 6

Learn More About Forestland Taxation at Virginia Tech's

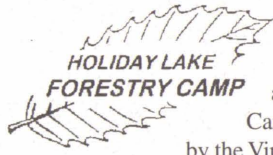
#### Timber Income Tax Workshop

February 13-14, 2001

Blacksburg, Virginia

(see Events Calendar, page 2 for details)

**Forestry Camp Trains Students and Teachers**



The Appomattox Buckingham State Forest will be the training site for 100 teenage students and 40 educators and staff from throughout Virginia attending the 55<sup>th</sup> Annual Holiday Lake Forestry Camp scheduled for June 18-24, 2001. Administered by the Virginia Department of Forestry, this unique camp

provides an opportunity for students to experience sustainable natural resource management using hands-on, learn-by-doing activities. For over half a century, Holiday Lake Forestry Camp has introduced young Virginians to the challenges, special skills and knowledge needed for managing the forest resources we use and enjoy every day. The Camp is designed for students who want to explore and experience activities in forestry and wildlife related careers, participate in Envirothons, forestry and wildlife judging teams or ecology clubs, or who have a special interest in hands-on learning about natural resource conservation. Scholarships will also be awarded to 20 classroom teachers and volunteer youth educators to attend Camp and participate with the students in classes, gaining hands on training in Project Learning Tree (PLT) activities.

Camp is held at the Holiday Lake 4-H Education Center located within the 20,000 acre "outdoor classroom" on the Appomattox-Buckingham State Forest. Classes are taught in the woods on traditional forestry and wildlife man-

**Camp continues on page 5**

**Taxes from page 5**

**Other Tax Resources**

Both *Forest Landowners Magazine* (Forest Landowners Association, P.O. Box 95385, Atlanta, GA 30347-0385; phone: 404/325-2954), and *Virginia Forests Magazine* (Virginia Forestry Association; 8810-B Patterson Ave., Richmond, VA 23229-6322; phone: 804/741-0836) contain excellent woodland taxation columns in each edition. Annual membership dues (including magazine subscriptions) range upward from \$40.00 for either organization. **U**

**CONTACT YOUR NATURAL RESOURCE MANAGEMENT AGENCIES:**



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**Virginia Tech Department of Forestry & Virginia Cooperative Extension**  
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**Virginia Department of Game & Inland Fisheries**  
P.O. Box 11104  
Richmond, VA 23230-1104  
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[www.dgif.state.va.us](http://www.dgif.state.va.us)



**Virginia Forestry Association**  
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