



Ohio Department of Natural Resources
Division of Forestry
2045 Morse Rd – Bldg H-1
Columbus, OH 43229-6693

Ted Strickland • Governor
Sean D. Logan • Director

OHIO FOREST TAX LAW

Step by Step Process For Land Owners

1. The landowner will obtain an application form from the Service Forester, County Auditors Office or by writing to the Chief of the Division of Forestry, Ohio Department of Natural Resources, 2045 Morse Rd – Bldg H-1, Columbus, OH 43229-6693.
2. Obtain one (1) full-size copy of a tax plat map from the County Tax Map Department showing the entire property and at least one (1) road intersection as a reference point. Take this map to the Farm Service Agency (formerly ASCS) Office for aerial photo location. (FSA Office is located at 6970 ST RT 88 Suite B, Ravenna)
3. The land owner will submit the completed application, a copy of the most recent tax bill and three aerial photos to: Mark Wilthew, Service Forestry Coordinator, ODNR Division of Forestry, 2205 Reiser Av. SE, New Philadelphia, OH 44663-3272. Mark can answer any questions on Wednesdays, between the hours of 8:00 AM and 4:00 PM, at (330) 339-2205.
4. Upon receipt of the completed application, the Service Forester will setup an appointment to visit the property with the landowner. The boundaries of the property to be classified as forestland must be visibly marked prior to the visit. The markings shall be made by one of the following: blazing of trees with paint, or installation of fence, posts or stakes. Each mark shall be no farther then sixty-six feet apart.
5. The Service Forester and the landowner will review the property to see if it meets the qualifications of the law. If it qualifies, the landowner might be asked to demonstrate their intent to manage the forestland by completing a prescribed forestry practice (example – grapevine control or crop tree release).
6. After successful completion of the prescribed forestry practice, the Service Forester will complete the Forest Stewardship Management Plan for the property.
7. The landowner will receive a copy of their Forest Stewardship Management Plan and three copies of the Ohio Forest Tax Law agreement form. The agreement forms will be signed by the person(s) whose name is recorded on the deed of the property.
8. The three signed agreement forms along with a \$50 non-refundable application fee (checks only) will be sent to the Service Forester for processing. The check will be made out to the Division of Forestry.
9. Upon receipt of the application fee and signed agreement forms, the Service Forester will submit all paper work to the State Forester for approval. The State Forester will then send the approved Certificate of Classification to the County Auditor with copies to the landowner and Service Forester.

Eligibility of Forestland

The Ohio Forest Tax Law program provides a 50 percent property tax reduction for landowners with qualifying forest land. According to the Ohio Revised Code, the definition of forest land is:

“Land for which the primary purpose is the growing, managing and harvesting of a forest crop of commercial species under accepted silvicultural systems through natural or artificial reforestation methods and for which there is an approved forest management plan. The forest land shall consist of a stand or stands of commercial species of forest trees which contain at least fifty square feet of basal area or at least three hundred stems per acre which shall be evenly distributed throughout the stand.”

The **forest** eligibility requirements are:

- A minimum of ten (10.0) contiguous forested acres that shall be no less than one hundred and twenty (120) feet wide. Deductions are made for the following non-qualifying acreage: homesites and outbuildings; utility easements exceeding 120 feet in width; rivers and streams exceeding 120 feet in width; ponds and lakes greater than one (1.0) acre in size. Non-forested strips as previously described, shall be considered a break of contiguous forest land and each area shall be considered for eligibility separately.
- Forest land not enrolled in the Current Agricultural Use Value (CAUV) Tax program.
- Forest land acreage can include plantations containing forest tree species. These plantations are eligible after one full growing season if they include a minimum of 300 forest tree seedlings per acre.
- Forest land must be accessible for management.

Along with the forest requirements, the **landowner** requirements are he/she must be willing and agree to:

- manage their forest resources according to their forest stewardship plan prepared by a professional forester.
- protect the forest from livestock
- to the best of their ability, protect the area from fire.
- When timber is being cut, to file an operation and management plan with the local Soil and Water District and apply best management practices.
- Comply with all the laws, rules, and regulations promulgated by the Chief of the Division of Forestry which are used in the administration of Sections 5713.22 to 5713.26 of the Ohio Revised Code.
- Declare that this area shall be devoted exclusively to forestry, including its allied fields (timber production, maple syrup production, wildlife conservation, recreation, aesthetics, etc.), where these do not interfere with the productiveness of the forest.

APPLICATION FOR CLASSIFICATION OF FOREST LAND

To the Chief, Division of Forestry:

In accordance with sections 5713.22-.26 of the Ohio Revised Code, I hereby apply for the classification of certain lands owned by me as forest lands for the purposes of timber production and for the entrance of the same under the Ohio Forest Tax Law

APPLICANT TO FILL BLANKS BELOW (Print or Type)

Name _____

Address _____

City, State, Zip _____

Telephone – Home _____ Work _____

Total number of acres on property _____ Number of acres in forest _____

Description of property (as found on the tax bill): _____

Parcel# _____

County _____ Township _____ Section, Range or Virginia Military Survey

Name and Number (if applicable) _____

Forest is located (give road name or number) _____

Is this forest land currently under the Current Agricultural Use Value (CAUV) program? _____¹

Is forest grazed by livestock? _____²

Do you have any deed restrictions that deal with forest management? _____ If yes, please attach a copy of the deed restrictions.

Do you have a Forest Stewardship Management Plan? _____

Was this forest land previously classified under the Ohio Forest Tax Law? _____ If yes, please provide previous owner's name _____.

Signatures of Owner(s)³

**DO NOT SUBMIT
\$50.00 APPLICATION
FEE AT THIS TIME**

Date _____

1 Forest land can only be placed under one tax reduction program, the Current Agricultural Use Value (CAUV) program or the Ohio Forest Tax Law.

2 Forestland can not be considered for forest land tax reduction unless the owner is willing to protect the woods from livestock.

3 This form must be signed by the person(s) whose name the property is recorded in the County Auditor's office, or if signed by an agent, the name of the recorded owner must be given also.





Ohio Division of Forestry

fact sheet

A Division of the Ohio Department of Natural Resources

More Trees, Healthy Forests

OHIO'S FOREST PROPERTY TAX LAWS

Ohio's landowners have two real estate tax reduction programs that are available for forested property. The Ohio Forest Tax Law (OFTL) and the Current Agricultural Use Value (CAUV) program are two options that a landowner should consider. A choice must be made between the two as only one tax reduction program can be used on a given parcel of land.

The Current Agricultural Use Value program (Ohio Revised Code Sections 5713.30 -.38) provides reduced real estate tax values based on the production capacity of the soil. The Ohio Forest Tax Law (Ohio Revised Code Sections 5713.22-.26) provides a 50 percent real estate tax reduction on forest land that is managed for the purpose of timber production.

Below are the basics of each tax reduction program:

CURRENT AGRICULTURAL USE VALUE (CAUV)

Requirements:

- Each parcel of forest land must have 10 qualifying acres or more, or if less than 10 qualifying acres, average gross income of \$2,500 per year for the three years or an anticipated income of \$2,500 for the year of application.
- There is a one-time \$25 application fee.
- Forest land must continue to be used for a commercial agricultural purpose.
- Non-commercial forest land may qualify under certain circumstances.

Tax Reduction: The tax reduction is determined by the soil productivity of land. As an example, most of the forest land around the state has a value set at \$100 per acre (please see example on back.)

Term of Reduction: The owner must reapply annually. If the land use changes or if the landowner chooses not to continue the program, there is a recoupment penalty equal to the tax savings for the preceding three years and future taxes are based on the market value of the land.

OHIO FOREST TAX LAW (OFTL)

Requirements:

- A minimum of 10 acres must be in forest land - homesite and other buildings excluded.
- There is a one-time \$50 application fee.
- To be considered forest land, there must be 10 acres of contiguous forest not less than 120' wide.
- All forest land must be managed according to a forest stewardship management plan approved by the State Forester. The owner shall follow all provisions of the plan which may include commercial cutting.
- Boundary lines must be visibly marked prior to examination.
- Before the forest land can be certified, the owner must demonstrate the intent to engage in management by completing a prescribed practice.
- Every five years the Division shall examine the forest to determine compliance with the Forest Stewardship Management Plan.

Tax Reduction: There is a 50 percent real estate tax reduction.

Terms of Reduction: This is continuous unless the land use changes, ownership changes or the landowner withdraws from the program. There are no penalties for withdrawal.

WHICH PROGRAM SHOULD YOU APPLY TO YOUR FOREST LAND?

Contact your county auditor's office and determine the amount of taxes paid on your forest land. This can be computed from the current appraisal card. Be sure to consider the net taxes paid on the forest land after the reduction factor and the 10 percent rollback are subtracted. Under the forest tax law program, taxes are one-half of the current taxes paid. The auditor's office can compute the current agricultural use value using soil maps furnished by the Soil and Water Conservation District office. A simple comparison of land tax values or taxes due for each program can then be made. Shown below are examples of both tax laws:

We will use the following data for the examples below -

- You own 30 acres of forest*
- Effective local tax rate - 50 mills after all tax credits
- Appraised market value of land - \$400/acre
- Tax value - this is determined by taking 35% of the appraised value

Property Tax Without CAUV or the Ohio Forest Tax Law

<u>Value</u>	<u>Calculation</u>	<u>Amount</u>
Total Value	\$400 x 30 acres =	\$12,000
Tax Value	\$12,000 x 35% =	\$4,200
Property Tax Due	\$4,200 x 50 mills =	\$210

Property Tax With Ohio Forest Law

<u>Value</u>	<u>Calculation</u>	<u>Amount</u>
Total Value	\$400 x 30 acres =	\$12,000
Tax Value	\$12,000 x 35% =	\$4,200
Property Tax Due	\$4,200 x 25 mills =	\$105

Property Tax With CAUV Woodland Value

<u>Value</u>	<u>Calculation</u>	<u>Amount</u>
Total Value	\$100 x 30 acres =	\$3,000**
Tax Value	\$3,000 x 35% =	\$1,050
Property Tax Due	\$1,050 x 50 mills =	\$52.50

*Must be used as commercial timber land.

** Most forest land in Ohio has a CAUV value of \$100 per acre, but with some soil types the value is higher.

HOW TO APPLY:

CAUV: Applications can be made for CAUV at your county auditor's office from the first Monday in January and prior to the first Monday in March. For the three year update or the six-year reappraisal, the application period is extended to permit comparisons of CAUV values with the new appraisal values. There is an initial \$25 fee for CAUV.

Ohio Forest Tax Law: Contact your local Service Forester to have the application and agreement forms sent to you. You will be required to provide a copy of your most recent tax bill and three photo copies of aerial photos of your property. These photo copies can be obtained at your county Farm Service Agency (FSA). An appointment to visit the property will be setup once the Service Forester receives the completed forms, a copy of your tax bill and three aerial photos. The Service Forester will review the property with you to determine if it qualifies. If the property qualifies, a Forest Stewardship Management Plan will be created and the \$50 non-refundable application fee will be collected.

WHERE TO APPLY:

CAUV: Apply at the County Auditor's office in the county in which the property is located.

Ohio Forest Tax Law: Applications can be obtained from any Service Forester or by writing to the Chief of the Division of Forestry, Ohio Department of Natural Resources, Fountain Square, Columbus, Ohio 43224.

SUBMIT TO SERVICE FORESTER

(Check below to ensure your application packet is complete)

- 1. Completed application
- 2. Legible copy of most recent tax bill
- 3. One (1) **full-size** copy of tax plat map (obtained from County Tax Map Department)
- 4. Three (3) photo copies of aerial photos with property lines outlined (obtained from county Farm Services Agency)

- Check box if property lines and boundary lines of the forest land to be reviewed are marked **permanently** per requirements

Please provide previous owner's name: _____