



## NH DEPARTMENT OF REVENUE ADMINISTRATION

### Municipal and Property Division

109 Pleasant Street, Concord NH 03301

(603) 230-5950

[www.revenue.nh.gov](http://www.revenue.nh.gov)

## Synopsis of New Hampshire Timber Tax Law

### **The Notice of Intent to Cut:** (RSA 79:10)

The State of New Hampshire has a real estate tax and by definition timber is considered to be real estate and therefore taxable. However, the method in which it is taxed is different from other real estate and is described in the State Constitution. Timber is only taxed at the time it is cut at a rate which encourages the growing of timber. In order for the municipal assessing officials to be aware of cutting operations they must be notified of the cutting by the owner filing a form PA-7, Notice of Intent to Cut Timber. The Notice of Intent, (PA-7), which is required by law, notifies the assessing officials, NH Department of Revenue Administration (DRA) and the NH Division of Forest & Lands. Timber on all land ownerships is taxable at 10% of the stumpage value at the time of cutting. The only exemptions are as follows:

1. 10 MBF saw logs and 20 cords fuel wood for personal use by the owner. (RSA 79:1 II. (b)(1) & (b)(2))
2. 10 MBF saw logs and 20 cords of wood for land conversion purposes when all permits for the conversion have been received. (RSA 79:1 II. (b)(5))
3. Shade and ornamental trees, usually considered to be trees within striking distance of a building. (RSA 79:2)
4. Christmas trees, fruit trees, and nursery stock and short rotation tree fiber. (RSA 79:2)
5. Any amount of firewood for maple syrup production. (RSA 79:1 II.(b)(2))
6. Government and utilities not selling the wood. (RSA 79:1 II.(b)(3) & (4))

### **(Items 1-6, No Intent required and Timber is not taxable)**

The Notice of Intent to Cut, (PA-7), must be completed with a volume estimate, signed by the assessing officials and posted on the job site before any cutting requiring a PA-7 can start.

A supplemental PA-7 shall not be required when the total volume of the cut does not exceed the total volume reported by 25%, except if a timber tax bond was required with the original Notice of Intent to Cut. If a bond was required with the original PA-7, an additional bond will be required and supplemental Intent to Cut filed and signed before the original volumes are exceeded. Notice of Intent to Cut (PA-7) forms are available from the town office, by calling the DRA at (603) 230-5950 or from the DRA website at:

<https://www.revenue.nh.gov/forms/documents/pa-7.pdf>

Town officials have 15 days to sign the Notice of Intent to Cut (RSA 79:10 I.(b)). They may withhold signing **only** for the following reasons:

1. The form has been improperly filled out. (RSA 79:10)
2. Land is enrolled in the unproductive current use category that does not allow timber harvesting. (RSA 79-A:2, XIII, Current Use Administrative Rule Cub 306.02 (a))
3. A timber tax bond is required but has not been posted. (RSA 79:3-a)
4. All owners of record listed on the property record card have not signed the intent to cut. (RSA 79:1 II.(a) & RSA 79:10 I.(a))

If the municipal officials have not acted on the Notice of Intent to Cut within 15 days of receipt, the landowner should contact DRA, who will inquire with the town as to the status of the paperwork. If



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municipal officials are withholding signing, the landowner and person responsible for the cutting shall be notified in writing by the town as to the reason(s) within 15 days of receipt of the Notice of Intent to Cut by the Town. (RSA 79:10-I.(b) and Rev 3402.03(b)(3) & (4))

### **Tax Responsibility:** (RSA 79:1 II(a))

The responsibility for the timber tax depends on the type of ownership and must be one of the following:

1. Owner with timber rights on their own land (joint tenants).
2. Owner with timber rights on their own land (tenants in common).
3. Persons with deeded timber rights on land they previously owned.
4. Persons purchasing timber on public lands Federal, state, county, town, etc.

### **Timber Tax Bond:** (RSA 79:10-a)

Owners that own land within the town the cutting is to take place and are current on property taxes and timber taxes cannot be required to post a timber tax bond. All other owners must post a timber tax bond before the Notice of Intent to Cut is signed. Timber tax bonds are usually equal to the estimated timber tax.

### **Extensions:** (RSA 79:10, II.) (RSA 79:11, II.)

Extensions are allowed upon written request by the owner to the assessing officials prior to April 1. Extensions allow cutting to continue through June 30 and reports are due August 15.

### **Report of Wood Cut:** (RSA 79:11)

Report of Wood Cut (PA-8), forms are sent to the owners filing a notice along with a certificate (PA-6), which must be posted at the job site. Reports of wood cut must be filed with the town and DRA within 60 days of completion or by May 15, whichever comes first. The report form serves as the basis for determining the timber yield tax.

### **Appeal Process:** (RSA 79:8)

If a taxpayer believes they have been overtaxed, they must appeal in writing to the Town within 90 days of the tax bill. If the Town denies the appeal, then the taxpayer may appeal to the Board of Tax and Land Appeals (BTLA) within 6 months of the tax bill for an appeal board hearing. The Guideline to Assessing Timber is available on the DRA website to assist owners and towns in proper assessment of timber per NH timber tax law.

### **Penalties, Doomsage and Enforcement:** (RSA 79:12) (RSA 21-J:39) (RSA 79:28 & RSA 78:28-a)

Fines for non-compliance range up to \$2,000. A Doomsage penalty may be assessed for improper reporting (Doomsage is two times what the tax would have been if the Report had been timely filed and truly reported). The DRA and NH Division of Forest & Lands have authority to issue a cease and desist for any cutting operation not in compliance with RSA 79.

This is only a synopsis of the law, further clarification and reference to the applicable laws and rules may found on the DRA website at: <https://www.revenue.nh.gov/mun-prop/property/timber.htm>