State of New Hampshire
Department of Revenue Administration

109 Pleasant Street
PO Box 487, Concord, NH 03302-0487
Telephone (603) 230-5000
www.revenue.nh.gov

John T. Beardmore
Commissioner

Lindsey M. Stepp
Assistant Commissioner

MUNICIPAL AND PROPERTY
DIVISION
Stephan W. Hamilton
Director

David M. Cornell
Assistant Director

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, 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 and 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 notice of intent to cut timber. The Notice of Intent, which is required by law, notifies the assessing officials, NH Department of Revenue (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&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 not taxable)

The Notice of Intent to Cut must be completed with a volume estimate, signed by the assessing officials and posted on the job site before any cutting requiring a notice can start. The original volume estimate cannot be exceeded without filing a supplemental Notice of Intent to cut for additional volumes. Notice of Intent to Cut forms are available from the DRA and the Town (RSA 79:10).

Town officials have 30 days to sign the Intent to cut form (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 305.02 (b);
3. A timber tax bond is required but has not been posted (RSA 79:3-a & 10-a).
4. All owners of record have not signed the intent to cut (RSA 79:1,II & 79:10 I (a)). All owners of record are listed on the property record card.

TDD Access: Relay NH 1-800-735-2964
Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

If town officials have not acted on the Intent to Cut within 30 days of receipt the landowner Shall contact DRA, which then inquires with the town as to the status of the paperwork. If municipal officials are withholding signing, the landowner should be notified in writing by the town as to the reasons within 30 days of receipt of the Notice of Intent to Cut by the town. (RSA 79:10 I (b))

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. Landowners with timber rights on their own land (Joint Tenants).
2. Landowner 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 expected 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 forms are sent to the owners filing a notice along with a certificate, which should be posted at the job site. Reports of wood cut must be filed with the town 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 to the Town within 90 days of the tax bill. If the Town denies the appeal then the taxpayer may appeal in writing 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 from DRA to assist owners and towns in proper assessment of timber per NH timber tax law.

Penalties, Doomage and Enforcement: (RSA 79:12) (RSA 21:J 39) (RSA 79:28 & 28-a)

Fines for non-compliance range up to $2,000. A Doomage penalty may be assessed for improper reporting (Doomage is two times what the tax would have been if the Report had been seasonably filed and truly reported.) The DRA and 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, for further clarification refer to the New Hampshire statutes or call the Department of Revenue Administration, Municipal and Property Division at 230-5900.