

**Forest lands provide many benefits.** Forest land can be effectively managed to attain various objectives and provide multiple benefits at the same time. Benefits such as income from the sale of forest products can be attained while managing for wildlife habitat and recreational uses. A *licensed professional forester* can walk your land with you and help you to identify your objectives and develop an appropriate forest management plan that can *maximize your returns and minimize your costs*.

Copies of the **Maryland Consultant and Industrial Foresters** list can be obtained from the MD Forest Service office at 301-334-3296 or downloaded from the Internet at <http://dnrweb.dnr.state.md.us/download/forests/consultingforesters.pdf>

**CHANCES ARE YOU'RE PAYING TOO MUCH TAX ON YOUR WOODLAND.**

There are only three assessments in Maryland. These assessments are **1) commercial or industrial, 2) residential, and 3) agricultural.**

If your woodland is not a part of an active farm, your woodland could be assessed on the market value of the property. Many factors (other than your use) are used to determine this market value. These factors are: present zoning, size of the property, availability to public water and sewer, adjoining properties, whether waterfront or not, and any other factors that might affect value. This value may not represent your intended use. **As a forest landowner you should be aware of the options available to help you save tax dollars. See the following chart for further information.**

REQUIREMENTS	Option 1 ~ Management Plan	Option 2 ~ Forest Conservation and Management Agreement (FCMA)
<b>Land Requirement</b>	Minimum of 5 acres woods or 6 acres of woods with a building lot.	Minimum of 5 acres woods or 6 acres of woods with a building lot.
<b>Description</b>	Written plan developed by Licensed Forester to meet objectives set by landowner	Written plan developed by Licensed Forester to meet objectives set by landowner. Plan written for a minimum of 15 yrs.
<b>Assessment</b>	Qualifies for \$187.50/ac. assessment	\$125.00/ac. full cash value frozen at current value for the life of the contract.
<b>Cost of Plan (DNR)</b>	Fee based on acreage: less than 5 ac. - \$100 5 - 25 ac. - \$200.00 26 - 50 ac. - \$225.00 51 - 100 ac. - \$250.00 101-500 ac. - \$275.00 501 or more ac. - \$300.00	Fee for management plan and a fee for entry into the program. Entry Fee is 0.55 percent of the assessed value, but not less than \$50.
<b>Cost of Plan (Private Forester)</b>	See Consultant / Industrial Forester list and contact two or more for estimates	See Consultant / Industrial Forester list and contact two or more for estimates
<b>Inspections/ Compliance Checks</b>	Every three years. DNR charges per inspection: \$50 for 5-10 acres, \$100 for 11 or more acres Fee may vary for private forester.	Every five years by a MD DNR forester. Inspections cost 1/20th of the entry fee but not less than \$100.00
<b>Penalties for Noncompliance</b>	Loss of agricultural assessment plus Ag assessment penalty	A rollback of taxes and penalty but no agricultural tax transfer penalty for breach of contract.

## HOW IS YOUR TAX BILL COMPUTED?

For all property **not given an agricultural assessment** the following steps apply.

**Step 1** - The market value is computed.

**Step 2** - The market value is then multiplied by the county tax rate to determine the tax bill.

For property **given the agricultural assessment** steps 1 and 2 are different.

**Step 1** - The property is given an agricultural use valuation of \$187.50/acre for a woodland management plan written by a registered forester (not frozen), or a valuation of \$125.00/acre for FCMA (frozen).

**Step 2** - Is the same as previously described.

If you intend to actively manage your woodland and meet the criteria set forth by the assessment office you are eligible for an agricultural assessment.

Often there are recommended practices in a management plan that will represent a cost to the landowner to complete. There are various state and federal cost share programs available that can be used to defray the costs of completing these practices. See the box for an example of potential tax savings under these programs.

Forest landowners should contact either the USDA Farm Service Agency or the Maryland DNR Forest Service. The telephone numbers for these offices and other government offices are listed at right.

### Examples of Tax Savings ( for 2009 )

Based on property **not given agricultural assessment:**

25 acres @ \$1,000/acre = \$25,000 market value  
\$25,000 x 1.102/100 (county & state tax rate) =  
**\$275.50 or \$11.02/acre (taxes due)**

25 acres @ \$4,000/acre = \$100,000 market value  
\$100,000 x 1.102/100 (county & state tax rate) =  
**\$1,102.00 or \$44.08/acre (taxes due)**

Based on property given the  
**Management Plan Agricultural Assessment:**

25 acres @ \$187.50/acre = \$4,687.50 use value  
\$4,687.50 x 1.102/100 (county & state tax rate) =  
**\$51.66 or \$2.07/acre (taxes due)**

Based on property given the  
**FCMA agricultural assessment:**

25 acres @ \$125.00/acre = \$3,125.00 use value  
\$3,125.00 x 1.102/100 (county & state tax rate) =  
**\$34.44 or \$1.38 /acre (taxes due)**

### Telephone Numbers

**Garrett County Tax Assessment Office**  
301-334-1950

**MD DNR Forest Service**  
301-334-3296

**MD DNR Wildlife**  
301-334-4255

**USDA Farm Service Agency**  
301-334-6954

**USDA Natural Resources Conservation Service**  
301-334-6950

**Garrett County Planning & Zoning**  
301-334-1920

*Learn more about the Garrett Forestry Board  
online at <http://www.gcforest.sailorsite.net/>*

# FOREST TAXATION IN MARYLAND



*Are You  
Minimizing  
Your  
Property  
Taxes?*

*This brochure has been prepared  
as a service to you by the*



**updated  
JUNE 2013**