

SB TBD | HB TBD

Working forests keep working, but state tax law doesn't know that.

DNR is proposing a change to RCW 82.45 that would eliminate ambiguity and make it so that the agency's property purchases meet the intent of the state's Designated Forest Land Excise Tax and do not penalizing private landowners from selling working forest lands to the state or other governmental agencies.

This proposal has the support of the Washington State Association of Counties.

CONTACT

Brian Considine

Legislative Director Cell: 360-764-0013 brian.considine@dnr.wa.gov

Olgy Diaz

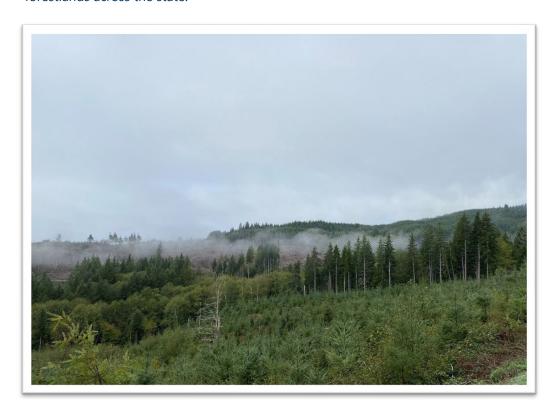
Deputy Legislative Director Cell: 360-918-3555 olgy.diaz@dnr.wa.gov

Fixing Forest Excise Tax Statute to Put DNR on Equal Footing When Acquiring Public Lands

AMBIGUITIES IN FORESTRY TAX DESIGNATION MAY DISADVANTAGE LANDOWNERS WHO DECIDE TO SELL LANDS TO DNR

Washington state's Designated Forest Land Excise Tax encourage lands to remain in forestry when they are sold by providing a favorable tax rate. The way that RCW 82.45 is written, however, is unclear whether lands being sold into Washington State Department of Natural Resources (DNR) management are subject to that favorable tax arrangement because state trust lands are not a part of the property tax base. This has led to inconsistent assessment of the excise tax rate in different counties, and it makes it more expensive for landowners to sell forestland to DNR than to other private parties, even if the properties are intended to remain in forestry.

DNR is proposing a change to RCW 82.45 to explicitly state that all sales of working forestland to public entities, that will continue to be used as working forestlands, will be considered "Timberland" for the purposes of that law. This simple fix would eliminate the ambiguity and make it so that DNR's land acquisitions meet the intent of existing statute, putting the state on equal footing when looking to acquire forestlands across the state.



DNR's Deep River Woods purchase of lands in Wahkiakum County is one purchase where the ambiguity in RCW 82.45 created difficulties in closing the state's \$55 million purchase of private forestlands.