

CHAPTER Rev 3400 TAXATION OF WOOD OR TIMBER CUT

Readopt Rev 3401, effective 9-4-14 (Document #10664), to read as follows:

PART Rev 3401 DEFINITIONS

Rev 3401.01 "Average stumpage value list" means the published range of stumpage values for the various species of wood or timber as derived from surveys conducted twice per year by the department.

Rev 3401.02 "Commissioner" means the commissioner of the New Hampshire department of revenue administration or the commissioner's designee.

Rev 3401.03 "Cordwood and fuel wood" means wood that is cut into specified lengths, or tree length, to be used in woodstoves and wood furnaces for heating purposes or used in the production of maple syrup.

Rev 3401.04 "Department (DRA)" means the New Hampshire department of revenue administration.

Rev 3401.05 "Extension" means written notification to the municipal assessing officials by the owner, no later than March 31, that the cutting operation will extend beyond April 1.

Rev 3401.06 "High grade spruce/fir" means tree length spruce or fir that is sold to sawmills as sawlogs and does not include spruce or fir that is sold as pulpwood to pulpmills or pulp yards.

Rev 3401.07 "MBF" means the number of board feet of saw logs expressed in thousands or a fraction thereof.

Rev 3401.08 "Municipal assessing officials" means those charged by law with the duty of assessing taxes for a municipality where the property is located as:

- (a) Governing body of a municipality;
- (b) Board of assessors or selectmen of a municipality; or
- (c) County commissioners of an unincorporated place.

Rev 3401.09 "Municipality" means a city, town, or unincorporated place.

Rev 3401.10 "Original" means the first filing by an owner in a tax year of Form PA-7, "Notice of Intent to Cut Wood or Timber", containing original signatures of the municipal assessing officials, in the municipality where the cutting of wood is to take place.

Rev 3401.11 "Owner" means owner as defined in RSA 79:1, II, such as:

- (a) Any person or persons who own the land, including joint tenants or joint tenants with rights of survivorship, upon which wood or timber is cut;
- (b) Any person or persons who hold title to the land as tenants-in-common;

(c) A previous owner who retains timber rights to land and who registers their claim with the registry of deeds;

(d) Any person who has purchased stumpage and cutting rights on public lands; or

(e) Any person clearing or maintaining rights-of-way that sells or agrees to sell the wood or timber.

Rev 3401.12 “Pallet, tie,” means all sawlogs listed on mill scale slips as either pallet, tie, or box grades.

Rev 3401.13 “Public lands” means land owned by:

(a) The federal government;

(b) The state government;

(c) Cities;

(d) Towns;

(e) School districts; or

(f) Other political subdivisions.

Rev 3401.14 “Pulpwood” means smaller, lower quality timber used with the principal purpose of making wood pulp for paper production or, for raw material for wood products such as, but not limited to oriented strand board.

Rev 3401.15 “Sawlog” means all grades of sawlogs listed on mill scale slips other than pallet, tie, or box grades.

Rev 3401.16 “Shade and ornamental trees” means trees that are within striking distance of a maintained permanent structure and that are solely maintained by the owner for shade or ornamental purposes.

Rev 3401.17 “Stumpage value” means the market value of uncut standing timber at the time that the timber is cut.

Rev 3401.18 “Supplemental” means a subsequent filing by an owner, in a tax year, of Form PA-7, “Notice of Intent to Cut Wood or Timber”, with the municipal assessing officials to make corrections or additions to the information provided in the original filed Form PA-7.

Rev 3401.19 “Tax year” means the time period beginning April 1 of any year and ending March 31 of the next year, inclusive.

Rev 3401.20 “Yield tax” means the 10% tax assessed upon the stumpage value of wood or timber cut during a tax year pursuant to RSA 79:3. The term includes “timber tax”.

Rev 3401.21 “Whole tree chips” means wood that is processed through a wood chipper or grinder at the site of the logging operation that is used primarily as fuel for wood burning energy plants or other similar purposes.

PART Rev 3402 FORM PA-7, NOTICE OF INTENT TO CUT WOOD OR TIMBER

Readopt with amendment Rev 3402.01, effective 9-4-14 (Document #10664), as amended effective 8-21-19 (Document #12854), to read as follows:

Rev 3402.01 Owner Requirements for Completing and Filing Form PA-7, "Notice of Intent to Cut Wood or Timber".

(a) Prior to commencing a cutting operation, every owner intending to cut wood or timber, with the exception of owners whose cutting operation is specifically exempt pursuant to RSA 79:1, II(b), shall file a completed Form PA-7 with the municipal assessing officials where the cutting operation will occur.

(b) For a cutting operation that will encompass more than one municipality, a separate original Form PA-7 shall be filed with each municipality.

(c) A separate original Form PA-7 shall be filed for each parcel of land, as identified by the municipal tax maps, that is not contiguous and in identical common ownership, for where the cutting will occur within the municipality.

(d) No owner shall commence a cutting operation prior to the municipal assessing officials' signing of a completed Form PA-7 and the assignment of an operation number-, ***except as provided in Rev 3402.05.***

(e) An owner who has filed an original Form PA-7, ~~that has been signed by the municipal assessing officials,~~ shall file a supplemental Form PA-7 with the municipal assessing officials for the estimated amount of wood or timber which will exceed the original estimated volume of wood or timber to be cut if:

(1) The owner is required to furnish a bond or other security to the municipality pursuant to RSA 79:3-a or RSA 79:10-a, II; or

(2) The volume of the cut exceeds the total volume reported in the original Form PA-7 by 25 percent or more.

(f) An owner required to file a supplemental Form PA-7 pursuant to (e) above shall not continue a cutting operation unless the municipal assessing officials have signed the supplemental Form PA-7.

(g) An owner of a cutting operation for which a Form PA-7 has been filed ~~and signed by the municipal assessing officials~~ shall not continue cutting after March 31 without filing an extension or without obtaining a newly signed original Form PA-7 for the new tax year.

(h) Within a tax year, if the owner has sent the municipal assessing officials a written notice of extension dated no later than March 31, a cutting operation for which the Form PA-7 has been filed ~~and signed by the municipal assessing officials~~ may continue cutting until June 30 without obtaining a newly signed original Form PA-7 for the new tax year.

(i) When a property, for which a Form PA-7 has been filed, is sold during a tax year, the owner selling the property shall notify the municipal assessing officials within 15 days of the change of ownership, and the owner buying the property shall complete and file an original Form PA-7 if the cutting of wood or timber will continue.

(j) Within a tax year, if an owner has filed an original Form PA-7, and the contract executed pursuant to RSA 227-J:15, III is terminated, the owner shall complete and file a new Form PA-7 if the owner intends to continue the cut.

(k) Except for any entity described in RSA 79:1, II(b)(3), every owner engaged in cutting wood for clearing or maintaining of rights-of-way, or water storage reservoirs, as described in RSA 79:1, II(b)(4), shall file one Form PA-7 with the municipal assessing officials in each municipality where the cutting will occur.

Readopt Rev 3402.02, effective 9-4-14 (Document #10664), to read as follows:

Rev 3402.02 Owner Requirements for Signing Form PA-7, “Notice of Intent to Cut Wood or Timber”.

(a) When a Form PA-7 is filed, for a parcel of land that is owned in title as joint tenants or joint tenants with rights of survivorship, the Form PA-7 shall be signed by all owners of record.

(b) When a Form PA-7 is filed for a parcel of land that is owned in title as tenants-in-common:

(1) The Form PA-7 shall be signed by all tenants-in-common that hold title or by an individual with power of attorney to sign on the owner’s behalf; or

(2) The signing tenants-in-common shall notify any non-signing tenants-in-common by certified mail at least 30 days prior to cutting that:

a. The Form PA-7 has been filed; and

b. A bond or other surety has been filed with the municipal assessing officials to secure payment of the yield tax.

(c) When a Form PA-7 is filed by a previous owner who has filed a claim at the registry of deeds to retain the timber rights to the land, the person who retained the timber rights shall sign the Form PA-7 and be responsible for any bond that might be required pursuant to RSA 79:10-a.

(d) When a Form PA-7 is filed for public lands by a person who has purchased stumpage and cutting rights, the person who purchased the stumpage and cutting rights shall sign the Form PA-7 and be responsible for any bond that might be required pursuant to RSA 79:10-a.

Readopt Rev 3402.03, effective 9-4-14 (Document #10664), as amended effective 8-21-19 (Document #12854), to read as follows:

Rev 3402.03 Municipal Assessing Officials Procedure for Approval of Form PA-7, “Notice of Intent to Cut Wood or Timber”.

(a) Pursuant to RSA 79:10, I(b), the municipal assessing officials shall have 15 days after receipt of a Form PA-7 from the owner to determine the conditions of approval have been met by certifying that:

(1) All joint tenants or joint tenants with rights of ownership that hold title to the property, for which the Form PA-7 has been filed, have signed the Form PA-7 or have provided a power of attorney for a signature;

(2) All tenants-in-common that hold title to the property, for which the Form PA-7 has been filed:

- a. Have signed the Form PA-7;
- b. Have filed a power of attorney by the non-signing tenants-in-common for a signature of the Form PA-7 with the municipality; or
- c. Who are the signors of the Form PA-7, and have sent to the non-signors, by certified mail 30 days prior to cutting, notification of the filing of the Form PA-7 and that a bond or other surety has been filed to secure payment of the yield tax;

(3) Any yield tax bond or other surety required, pursuant to RSA 79:10-a or RSA 79:1, II (a)(2), has been received by the municipal assessing officials;

(4) The land being cut is not under current use unproductive assessment; and

(5) The Form PA-7 is complete and accurate.

(b) If the municipal assessing officials determine that a Form PA-7 has not met one or more of the conditions of approval specified Rev 3402.03 (a) above, the municipal assessing officials shall:

(1) Decline to sign the Form PA-7;

(2) Notify the owner in writing within 15 days of the receipt of the Form PA-7 of any deficiency;

(3) Notify the logger, forester, or person responsible for the cut in writing within 15 days of receipt of the Form PA-7 of any deficiency;

(4) Specify the basis of each deficiency in the written notice; and

(5) Specify in the notice that no cutting of wood or timber is to occur without a Form PA-7 signed by the municipal assessing officials.

(c) After the municipal assessing officials have determined that Form PA-7 has met the requirements in Rev 3402.03(a) above, they shall indicate their certification by signing the Form PA-7 and assigning an operation number.

(d) The municipal assessing officials shall, within 30 days of signing Form PA-7, notify the municipal tax collector that a Form PA-7 has been filed and that the property is subject to a tax lien pursuant to RSA 79:6.

Readopt with amendment Rev 3402.04, effective 9-4-14 (Document #10664), to read as follows:

Rev 3402.04 Municipal Assessing Officials Procedure for Distribution of Form PA-7, "Notice of Intent to Cut Wood or Timber". After signing and assigning an operation number to a Form PA-7, the municipal assessing officials shall:

(a) ~~Immediately~~ **Within 5 business days**, send a copy of the Form PA-7 to the DRA by:

- (1) Mail *to*:

New Hampshire Department of Revenue Administration
P.O. Box 487
Concord, NH 03302-0487;
 - (2) E-mail *at timber@dra.nh.gov*; or
 - (3) Fax *at (603) 230-5947*; and
- (b) Provide a copy of the signed Form PA-7 to the owner, and upon request to:
- (1) The logger;
 - (2) The forester; or
 - (3) The person responsible for the cut.

Adopt Rev 3402.05 to read as follows:

Rev 3402.05 Procedure for Unsigned Form PA-7, “Notice of Intent to Cut Wood or Timber”.

(a) If the intent is not signed by the municipal assessing officials within 15 days, pursuant to Rev 3402.03(a) and (c), the owner may commence the cutting operation provided that:

- (1) The submitting owner has met all conditions for approval of the intent;
 - (2) The municipal assessing officials have not communicated to the owner a reason why conditions for approval have not been met;
 - (3) The owner has submitted to the DRA, a copy of the intent that was submitted to the municipal assessing officials containing the date stamp from the municipality for the date the intent was submitted; and
 - (4) A copy of the intent submitted with the municipal assessing officials is posted in a water proof covering on the property where the cutting operation will occur.
- (b) If the municipal assessing officials thereafter determine that the conditions for approval have not been met, the municipal assessing officials shall notify the owner and the person responsible for the cutting explaining why the submitted intent does not meet the conditions for signature.
- (c) Upon the notification of (b) above, the cutting operation shall cease until the conditions for approval are met and the intent is signed.
- (d) If the requirements of (a) above have been met, the submitted intent may stand in place of a signed intent as it relates to compliance with the rules of this chapter, until such time that the owner has been notified pursuant to (b) above, or the intent has been signed by the municipal assessing officials.

Readopt Rev 3403, effective 9-4-14 (Document #10664), to read as follows:

PART Rev 3403 FORM PA-8, REPORT WOOD OR TIMBER CUT

Rev 3403.01 Owner Requirements for Filing Form PA-8, "Report of Wood or Timber Cut".

(a) A completed Form PA-8 shall be filed with the municipal assessing officials and with the DRA by the owner for each original Form PA-7 that has been filed with the municipality no later than 60 days following:

- (1) The completion of the operation if the cut ceases prior to March 31st;
- (2) The completion of an extended operation if the cut ceases prior to June 30th;
- (3) The sale of the property for which a Form PA-7 has been filed; or
- (4) The termination of the executed contract between the logger, forester or person responsible for the cut and the owner.

(b) If the cutting operation was still in progress until the end of a tax year period, March 31, then a Form PA-8 shall be filed no later than the following May 15 for all wood and timber cut during the tax year inclusive of March 31.

(c) If an owner has requested an extension in writing pursuant to RSA 79:10, II, then a Form PA-8 shall be filed no later than August 15 for all wood and timber cut during the tax year inclusive of June 30.

(d) If property where the cutting operation will occur is located in more than one municipality, a separate Form PA-8 shall be filed with each municipality.

(e) In the event that no wood or timber was cut, the owner shall file Form PA-8 with the municipality and the DRA stating that no wood was cut.

Rev 3403.02 Owner Requirements for Completing Form PA-8, "Report of Wood or Timber Cut".

(a) The owner shall ensure that Form PA-8 is complete and correctly identifies:

- (1) The total number of acres on which timber was actually cut;
- (2) Whether the cutting has been completed;
- (3) The date the cutting was completed;
- (4) The names of the sawmill, pulpmill, or facility to which the wood or timber was sold;
- (5) The species of wood or timber cut; and
- (6) The exact total volume of wood or timber cut as:
 - a. Sawlogs, including pallet, tie, or box logs, expressed in per thousand board foot, MBF, or fraction thereof, based upon the International $\frac{1}{4}$ inch rule log scale;
 - b. Pulpwood expressed in either tons or the number of cords based upon the unit of measure used at the time of sale;

- c. High grade spruce/fir and whole tree chips expressed by the number of tons;
- d. Cordwood and fuel wood expressed by the number of cords; and
- e. The amount of wood or timber that is exempt or is for personal use.

(b) The logger, forester or person responsible for the cutting shall verify the volumes of wood or timber cut by signing the Form PA-8.

(c) For a parcel or parcels of land for which a Form PA-8 shall be filed, which is owned in title as joint tenants or joint tenants with rights of survivorship, the Form PA-8 shall be signed by all owners of record.

(d) For a parcel or parcels of land for which a Form PA-8 shall be filed, which is owned in title as tenants-in-common, the Form PA-8 shall:

- (1) Be signed by all tenants-in-common that hold title; or
- (2) Be signed by the tenants-in-common that signed the Form PA-7.

(e) For public lands for which a Form PA-7 has been filed by a person who has purchased stumpage and cutting rights, the person who purchased the stumpage and cutting rights and signed the Form PA-7 shall sign the Form PA-8.

Rev 3403.03 DRA Distribution Procedure for Form PA-8, "Report of Wood or Timber Cut".

(a) Upon receipt of a signed copy of the Form PA-7 from the municipal assessing officials, the DRA shall, at no expense to the owner, or the logger, forester, or the person responsible for the cut, send a Form PA-8 to the person specified on the Form PA-7 as being either:

- (1) The owner; or
- (2) The logger, forester, or person responsible for the cut.

(b) The copy of Form PA-8 shall be sent to the owner or the logger, forester or person responsible for the cut as specified on the Form PA-7 by either:

- (1) Mail; or
- (2) Email.

(c) After the DRA receives the completed Form PA-8, the DRA shall provide the report of wood or timber cut information to the department of resources and economic development division of forests and lands.

Readopt with amendment Rev 3404, effective 9-4-14 (Document #10664), to read as follows:

PART Rev 3404 FORM PA-6, TIMBER TAX CERTIFICATE

Rev 3404.01 Posting Required.

(a) Prior to commencing a cutting operation, except for those which are specifically exempt pursuant to Rev 3407, the owner or the logger, forester or person responsible for the cut, shall post on the property where the cut shall take place:

(1) A copy of the signed original Form PA-7, protected by a waterproof covering; ~~or~~

(2) A copy of the ~~un-signed~~ original Form PA-7 ***submitted by the owner to the municipal assessing officials, un-signed by the municipal assessing officials***, protected by a waterproof covering, with the clearly printed municipal assigned operation number, the date, time, and name of the municipal assessing official or employee who provided ~~the~~ ***notification of approval; or***

(3) A copy of the original Form PA-7 submitted by the owner to the municipal assessing officials, for cutting operations performed according to the requirements of Rev 3402.05.

(b) Upon receipt from the DRA the owner or the logger, forester or person responsible for the cut shall post Form PA-6, on the property where the cut will occur.

(c) The posted copy of Form PA-6 and any Form PA-7 shall be posted in a conspicuous place within the area of cutting for each operation.

Readopt Rev 3405, effective 9-4-14 (Document #10664), to read as follows:

PART Rev 3405 BOND REQUIRED

Rev 3405.01 Bonding or Other Security.

(a) No owner or the logger, forester or person responsible for the cut shall commence to cut, or continue to cut, until the owner has posted the bond or other security if required by the municipal assessing officials when bonding is required pursuant to RSA 79:10-a or RSA 79:1, II(a)(2).

(b) Bonding, pursuant to RSA 79:10-a and RSA 79:1, II (a)(2), shall list the amount of the bond or other security necessary to secure payment of the yield tax imposed by RSA 79:3.

(c) If the owner is delinquent on any town yield tax or on any property tax, including properties on which the intended cut is not occurring, in the municipality in which a Form PA-7 has been filed, a bond or other security shall be required for the anticipated yield tax due from the intended cut.

(d) An owner pursuant to RSA 79:1, II (a)(4) who intends to cut on public land shall post a bond or other security if that owner does not own land in the municipality where the cut will occur.

Readopt with amendment Rev 3406, effective 9-4-14 (Document #10664), to read as follows:

PART Rev 3406 ASSESSMENT AND CERTIFICATION OF YIELD TAX

Rev 3406.01 Assessment of Yield Tax.

(a) The yield tax shall be based upon 10% of the stumpage value of the amount of wood or timber cut.

(b) The yield tax shall be assessed by the municipal assessing officials within 30 days of receipt of the Form PA-8.

(c) In determining the stumpage value of the wood or timber cut, the municipal assessing officials shall take into consideration factors such as, but not limited to:

- (1) Location of the wood or timber;
- (2) Quality of the wood or timber;
- (3) The size of the sale of the wood or timber;
- (4) Other factors that may be necessary to harvest the wood or timber;
- (5) Contract prices paid to the owner for wood or timber; and
- (6) The average stumpage value list as published by the DRA.

(d) If the owner fails to comply with the requirements of RSA 79:11, pertaining to reporting the amount of wood or timber cut, the assessing officials shall assess dooamage in accordance with RSA 79:12.

Rev 3406.02 Form PA-9, Certification of Yield Taxes Assessed.

(a) The municipal assessing officials shall send to the commissioner their annual certification of yield taxes assessed no later than June 15 for the operations that were required to file Form PA-8 by May 15.

(b) The municipal assessing officials shall send to the commissioner their annual certification of yield taxes assessed no later than September 15th for the operations that were required to file Form PA-8 by August 15.

(c) The municipal assessing officials shall send the certification of yield taxes assessed to the DRA by either:

- (1) Mail *to:*

***New Hampshire Department of Revenue Administration
Municipal and Property Division
P.O. Box 487
Concord, NH 03302-0487;***

- (2) Email *at timber@dra.nh.gov*; or

- (3) Fax *at (603) 230-5943*.

Readopt Rev 3407, effective 9-4-14 (Document #10664), to read as follows:

PART Rev 3407 EXEMPTIONS FROM YIELD TAX

Rev 3407.01 Exemptions. Owners shall be exempt from filing Form PA-7 and shall be exempt from the yield tax pursuant to the following:

(a) Exemptions provided in RSA 79:1, II(b) shall only be claimed once per tax year, per municipality by an owner of land which may:

- (1) Cut up to 10,000 board feet of logs that will be used exclusively in the construction, reconstruction, or alteration of buildings, structures or fences that remain under the landowner's ownership;
- (2) Cut up to 20 cords of fuel wood for their own consumption for domestic fuel purposes;
- (3) Cut for an unlimited amount of fuel wood for their own purposes in the manufacture of maple syrup or sugar; and
- (4) Cut up to 10,000 board feet of logs and 20 cords of wood, or the equivalent in whole tree chips, for the purpose converting land, so long as all required permits have been secured as necessary for the use to which the land will be converted;

(b) Owners exempted under RSA 79-1, II (b)(5) and Rev 3407.01 (a) (4) shall complete and file Form PA-7 and pay the yield tax on all wood and timber cut if the volume exceeds the 10,000 board feet of logs and 20 cords or equivalent in whole tree chips;

(c) Cutting for clearing or maintaining rights-of-way, or water storage reservoirs, as described in RSA 79:1, II (b)(4), shall be exempt from filing Form PA-7 and the yield tax, provided that the wood and timber cut is:

- (1) Not sold; or
- (2) Bartered; and

(d) Cutting on public lands, provided that the wood and timber cut is under the ownership or jurisdiction and for the use of:

- (1) The federal government;
- (2) The state government;
- (3) Municipalities;
- (4) School Districts; or
- (5) Counties.

Readopt Rev 3408, effective 9-4-14 (Document #10664), to read as follows:

PART Rev 3408 APPEALS

Rev 3408.01 Appealing the Yield Tax Assessment. Any owner may appeal their yield tax assessment pursuant to RSA 79:8.

APPENDIX

Rule	Specific State Statute the Rule Implements
Rev 3401.01	RSA 79:1, III
Rev 3401.02	RSA 79:30
Rev 3401.03	RSA 79:1, III(a), RSA 79:30
Rev 3401.04	RSA 79:30
Rev 3401.05	RSA 79:10, II
Rev 3401.06	RSA 79:1, III(a), RSA 79:10, I(a), RSA 79:11, I, RSA 79:30
Rev 3401.07	RSA 79:1, III(a), RSA 79:10, I(a), RSA 79:11, I, RSA 79:30
Rev 3401.08	RSA 79:1, I
Rev 3401.09	RSA 79:1, I, RSA 79:30
Rev 3401.10	RSA 79:10, I(a), RSA 79:30
Rev 3401.11	RSA 79:1, II,
Rev 3401.12	RSA 79:1, III(a), RSA 79:10, I(a), RSA 79:11, I, RSA 79:30
Rev 3401.13	RSA 79:1, II(a)(4), RSA 79:1, II, (b), (3), (4), RSA 79:30
Rev 3401.14	RSA 79:1, III, (a), RSA 79:10, I, (a), RSA 79:11, I, RSA 79:30
Rev 3401.15	RSA 79:1, III, (a), RSA 79:10, I, (a), RSA 79:11, I, RSA 79:30
Rev 3401.16	RSA 79:2
Rev 3401.17	RSA 79:1, III, RSA 79:3, RSA 79:30
Rev 3401.18	RSA 79:10, I, (a)
Rev 3401.19	RSA 79:10, RSA 79:30
Rev 3401.20	RSA 79:3
Rev 3401.21	RSA 79:1, II(b)(5), RSA 79:1, III, (a), RSA 79:10, I, (a), RSA 79:11, I, RSA 79:30
Rev 3402.01	RSA 79:10, RSA 79:30
Rev 3402.02	RSA 79:10, RSA 79:30
Rev 3402.03	RSA 79:10, RSA 79:30
Rev 3402.04	RSA 79:10, RSA 79:30
Rev 3402.05	RSA 79:10
Rev 3403.01	RSA 79:11
Rev 3403.02	RSA 79:11
Rev 3403.03	RSA 79:10, I(b), RSA 79:11
Rev 3404.01	RSA 79:10, I(e)
Rev 3405.01	RSA 79:10-a
Rev 3406.01	RSA 79:3, RSA 79:1, III,
Rev 3406.02	RSA 79:19
Rev 3407.01	RSA 79:1, II, (b)
Rev 3408.01	RSA 79:8

