



**NH DEPARTMENT OF REVENUE ADMINISTRATION
Municipal and Property Division**

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Forestry in New Hampshire and the State's Timber Tax

Overview

Forestry is NH's oldest land-based industry. The NH Timber Tax was enacted in 1949 following a 1942 constitutional amendment to permit such a tax "for the purpose of encouraging conservation of the forest resources of the state."

The taxation of timber differs from the taxation of the land on which it stands. Before the Timber Tax was implemented, the value of timber growing upon a parcel of land was included when assessing land value and was subject to the general property tax. By taxing timber when cut—and only when cut—lawmakers sought to disincentivize the cutting of trees and clearing of land simply to avoid higher property taxes.

According to the University of New Hampshire Cooperative Extension's most recent Forest Products Industries' Economic Contribution report, our state's forest products industry generates more than \$1.6 billion annually in direct economic impact and sustains more than 7,000 jobs. With more than 80% of the Granite State covered by trees, the total economic output from our forests from direct, indirect and induced economic impact, and from forest-based recreation exceeds \$2.5 billion.

Collaboration

The Department of Revenue Administration (DRA) works in collaboration with municipalities, landowners, loggers and foresters, as well as the Department of Natural and Cultural Resources (DNCR), to oversee the application, administration and enforcement of the Timber Tax. Unlike some other taxes, state government does not collect any money from the Timber Tax. Instead, the collected funds remain with the municipality where timber was harvested. As part of its oversight role, DRA is available to provide assistance and guidance to landowners, loggers, and municipalities at any phase of the process.

How the Tax is Assessed

- The landowner submits a PA-7 Notice of Intent to Cut (estimated harvest volumes) to the municipality where the land is located. Once signed, the intent is valid for the duration of the property tax year (April 1- March 31)
- At the completion of the harvest, or May 15 (whichever comes first), the landowner must file the PA-8 Report of Cut (actual volumes harvested). The volumes identified on the Report of Cut will be the basis for calculating the Timber Yield Tax.
- Municipal assessing officials then determine the timber stumpage value based on the location and quality of the timber, as well as the size of the operation.
- The timber yield tax will be equal to 10% of the stumpage value as determined by municipal assessing officials.
- DRA collects stumpage value data twice per year for each species of timber across all regions of the state, which can be found [here](#).
- See our [Timber Tax Synopsis](#) for more detailed information on how the tax is assessed.

Resources

DRA maintains a series of resources and links regarding the Timber Tax on its [website](#). There, you will find all of the laws and rules regulating timber harvesting in the state, as well as [relevant forms](#), information for municipalities, and the updated lists of average stumpage values. You will also find links to [training sessions and mini-courses](#) for assessors, municipal assessing officials, and municipal employees involved in determining the value of harvested timber.

The UNH Cooperative Extension Service maintains a directory of licensed foresters. You can find the directory [here](#). Contracting with a licensed forester is not required to harvest timber in NH, but a forester can be a vital resource to landowners as they navigate the harvesting process. About half of the state's timber operations use a licensed forester's services. Licensed foresters have a fiduciary responsibility to act in the best interests of their clients, and can help ensure compliance with state law, fair timber prices at market, and provide advice regarding best practices for land stewardship.

Some additional resources for landowners, loggers, and municipalities include:

- The [NH Timberland Owners Association](#) promotes private and public working forests, responsible forest management, and a strong forest products industry.
- The [UNH Cooperative Extension Service](#) provides trusted knowledge, practical education, and cooperative solutions. See the [“Guide to New Hampshire Timber Harvesting Laws.”](#)
- The Forests and Lands Division of the [New Hampshire Department of Natural and Cultural Resources](#) protects and promotes the value provided by trees, forests and natural communities in NH.

Noncompliance

DRA is responsible, along with DNCR, for enforcing the laws and rules surrounding the Timber Tax. At DRA, the Municipal and Property Division's timber appraisers play an active role in monitoring timber harvesting to ensure intents are properly filed, reports are accurate, and municipalities have a legitimate basis for tax assessment.

As with any state tax, noncompliance is a serious matter. Fines for Timber Tax noncompliance can be imposed. A penalty may also be assessed for improper reporting. This penalty is known as "doomage" and will result in an assessment that is two times what the tax would have been if the report had been filed accurately and on time. Cutting operations that commence without following the intent process may be subject to a cease-and-desist order, or even criminal prosecution.

The Department of Justice recently [prosecuted a case in southern NH](#) where a logger was found guilty of tax evasion and perjury after under-reporting timber harvests in order to evade the Timber Tax. That logger received a prison sentence and was required to pay restitution of more than \$45,000.

For full details on penalties, doomage, and enforcement, see the laws and rules under [Chapter 79](#).

Do I need to file a PA-7 Notice of Intent?

In short, yes. If you are going to be harvesting timber on your property, you must file a PA-7 Notice of Intent to Cut Wood or Timber. There are some exceptions to that rule. For example, you do not need to file if the timber is solely for personal use and totals less than 15,000 board feet of saw logs and 30 cords of fuel wood. For full details, see RSA 79:1, II b 1,2 and 5. For more information and for a list of other exceptions, see our [Timber Tax Synopsis](#).

Questions?

If you are unsure of what forms you may need to file or if you have a specific question about timber harvesting and logging in New Hampshire, visit the DRA's website at <https://www.revenue.nh.gov/taxes-glance/timber-tax>. You can also call 603-230-5950 or email timber@dra.nh.gov for assistance.