



## **PRESS RELEASE**

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## **NH Department of Revenue Administration Amplifies Education Efforts About the State's Timber Tax**

*NHDRA is helping landowners, loggers and municipalities understand the rules and regulations of forestry in NH by introducing Timber Tax guide*

**CONCORD, NH** – Heading into prime logging season, the [New Hampshire Department of Revenue Administration](#) (NHDRA) is increasing education efforts for landowners, municipalities, and loggers to help them understand and follow New Hampshire's laws and regulations regarding logging and timber harvesting. NHDRA recently developed and introduced a guide on New Hampshire's Timber Tax, which is accessible on the NHDRA website [here](#). The guide provides an overview of the tax and how it is assessed, while also providing links and directions to forms, resources, and additional information.

Forestry is New Hampshire's oldest land-based industry, dating back to the 1600s. 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. Although logging occurs year-round, winter is traditionally when loggers are most active.

"It is critically important NHDRA ensures all its stakeholders and customers are educated and informed of all applicable taxes, laws, and regulations. The Timber Tax impacts a relatively limited number of taxpayers but continues to play an essential role in responsible timber reporting, assessing, and harvesting," said Lindsey Stepp, Commissioner, NHDRA. "As part of our oversight role with the Timber Tax, NHDRA is

here to be a resource providing assistance and guidance at any phase of the process to landowners, loggers, foresters and municipalities throughout New Hampshire, and this Timber Tax guide is a perfect example of how we are always looking to engage and inform our stakeholders.”

In 1949, New Hampshire legislators enacted a Timber Tax “for the purpose of encouraging conservation of the forest resources of the state.” Each municipality is responsible for assessing the Timber Tax on the landowner of the property from which the lumber is harvested. The Timber Tax is set at 10% of the “stumpage value”—the value of wood, measured per thousand board feet of saw logs or tons of pulpwood—at the time of cutting.

NHDRA collaborates with municipalities, landowners, loggers, and foresters, as well as the New Hampshire Department of Natural and Cultural Resources (DNCR), to oversee the tax application, administration, and enforcement. Unlike other taxes, New Hampshire state government does not collect money from the Timber Tax. Instead, the collected funds remain with the municipality where timber was harvested. Since its inception, the Timber Tax has generated significant revenue for municipalities statewide.

NHDRA’s Timber Tax guide also details regulations, as well as penalties and fines, for noncompliance. One penalty known as “doomage” provides that the municipality may assess two times what the tax would have been if the report of wood cut had been filed accurately and on time. In October, the New Hampshire Department of Justice successfully [prosecuted a case in southern New Hampshire](#) where a logger was found guilty of tax evasion and perjury after underreporting timber harvested to evade the Timber Tax. That logger received a prison sentence and was ordered to pay restitution of more than \$45,000.

DRA has several resources for landowners, municipalities, and loggers on its [website](#). The NHDRA Timber Tax page features details on how the Timber Tax is assessed, necessary forms, a series of Frequently Asked Questions, guidance for municipalities in administering the Timber Tax, and links to partner organizations, including the [New Hampshire Timber Owners Association](#) and the [New Hampshire Department of Natural and Cultural Resources](#). Loggers, foresters, landowners and municipalities can also call 603-230-5950 or email [timber@dra.nh.gov](mailto:timber@dra.nh.gov) for assistance.

### **About the New Hampshire Department of Revenue Administration**

The New Hampshire Department of Revenue Administration (DRA) is responsible for fairly and efficiently administering the tax laws of the State of New Hampshire. DRA collects approximately 80% of New Hampshire’s general taxes. During Fiscal Year 2023, DRA collected \$2.8 billion in taxes, most of which went to the New Hampshire General Fund and Education Trust Fund. DRA also assists municipalities in budgeting, finance and real estate appraisal. DRA administers and collects the following taxes at the state level: Business Enterprise Tax, Business Profits Tax, Communications Services Tax, Interest and Dividends Tax, Meals and Rooms Tax, Medicaid Enhancement Tax, Nursing Facility Quality Assessment, Tobacco Tax, Taxation of

Railroads, Utility Property Tax, Real Estate Transfer Tax; and the following taxes at the local level: Property Tax, Excavation Tax, Timber Tax. To learn more about DRA, please visit [www.revenue.nh.gov](http://www.revenue.nh.gov).

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