



Timber Harvesting and Water Quality

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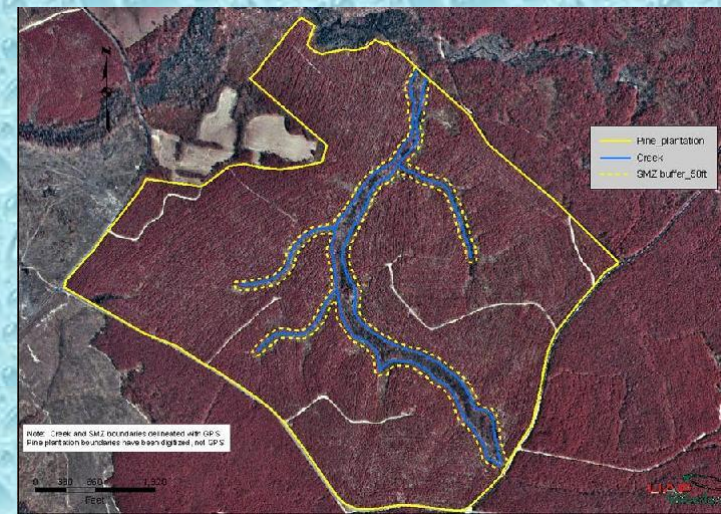
Trees are good for Water Quality

- Filter:
 - Sediment
 - Nutrients
 - Pollutants/pesticides
- **Shade** (maintains water temperature)
- Reduced erosion
- Slow flood waters
- Stabilize banks



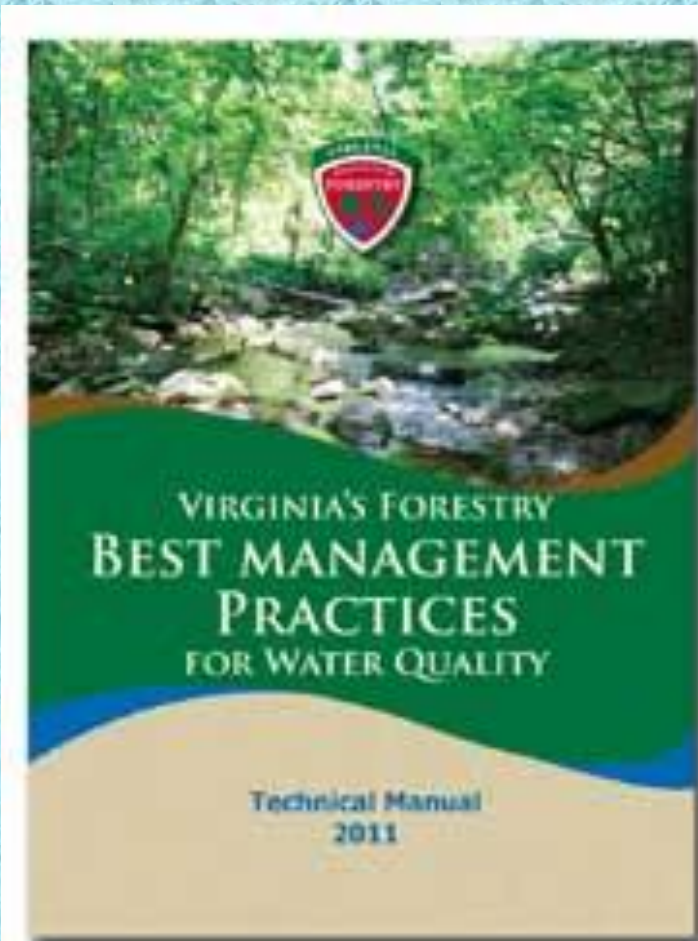
How to maintain these benefits while harvesting timber

- Plan ahead
 - Your Forester (DOF or private) is a great resource
- Follow BMP's
 - Mostly on the logger, but you should know about them
 - Should be part of your sale contract
- Leave a buffer on waterways
 - 50' minimum (mostly voluntary)
 - Mandatory in Bay watershed



BMP's (Best Management Practices)

- Protect Water Quality
 - Reduce erosion
 - Reduce 'bare' ground
 - Establish buffers
- Protect roads
- Improve logger productivity



Riparian Buffer, SMZ, Stream Buffer...



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How leaving trees can make money for you



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Riparian Buffer Tax Credit

Clearcut adjacent to a stream

Leave a 35'-300' buffer

Have (or get) a Stewardship Plan

Pay \$150 application fee



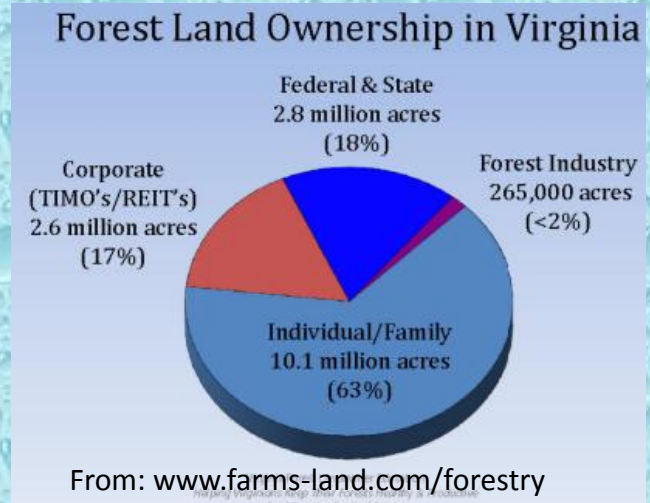
Riparian Buffer Tax Credit

Who Qualifies*

Individuals, S-Corporations or Partnerships Qualify

- Estates and Trusts are not eligible for this tax credit
- Family Partnerships and Limited Liability Corporations are eligible

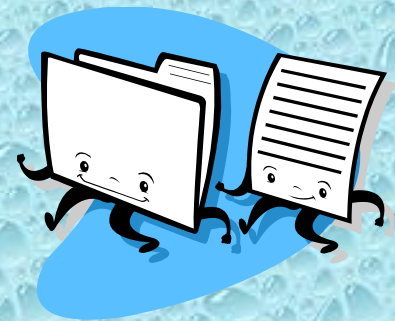
*Proof of ownership is required with each application



Riparian Buffer Tax Credit

Other details

- Only good for the year of the timber harvest
- Buffer must remain in place for 15 years
- Proof of value of timber required
 - Paperwork showing value of timber cut
 - Timber Cruise showing value of timber in buffer
- Tax credit worth 25% of value of remaining timber up to \$17500
 - 50% of that if buffer is partially cut



RBTC Example

100 acres cut

\$100,000 paid to landowner for timber

10 acres of Buffer left

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$\$100,000 / 100 \text{ acres} = \$1000 / \text{acre timber value}$

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RBTC Example



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$10 \text{ acres buffer} \times \$1000 / \text{acre} = \$10,000$ buffer value

$25\% \text{ of buffer value } (\$10,000) = \$2500 \text{ tax credit}$

RBTC Example



100 acres cut

\$100,000 paid to landowner for timber

10 acres of Buffer left

$\$100,000 / 100 \text{ acres} = \$1000 / \text{acre}$ timber value

10 acres buffer x $\$1000 / \text{acre} = \$10,000$ buffer value

25% of buffer value ($\$10,000$) = $\$2500$ tax credit

(If buffer was partially harvested: $\$2500 \times 50\% = \1250 credit)

My unofficial thoughts

- If you have a Stewardship Plan
 - \$150 application fee
- If you do not have a Stewardship Plan
 - \$150 application fee
 - Cost of Stewardship Plan
 - \$1.50 per acre
 - \$200 minimum (that's 133 acres)



My unofficial thoughts

- You need to make sure it makes financial sense to spend the money to get the credit
 - If it will cost you \$350 to qualify/apply you need to have at least \$350 worth of credit
 - Example: (assuming you will only pay the minimum for your Stewardship Plan)
 - if you have \$1000/acre timber value, you would need at least 1.4 acres of buffer to break even (with a partially cut buffer they would need 2.8 acres)

Any questions about protecting
Water Quality??

