

Income Opportunities



Virginia Forest Landowner Education
Helping Virginians Keep Their Woodlands Healthy and Productive
Real Forestry for Real Estate

Income Opportunities

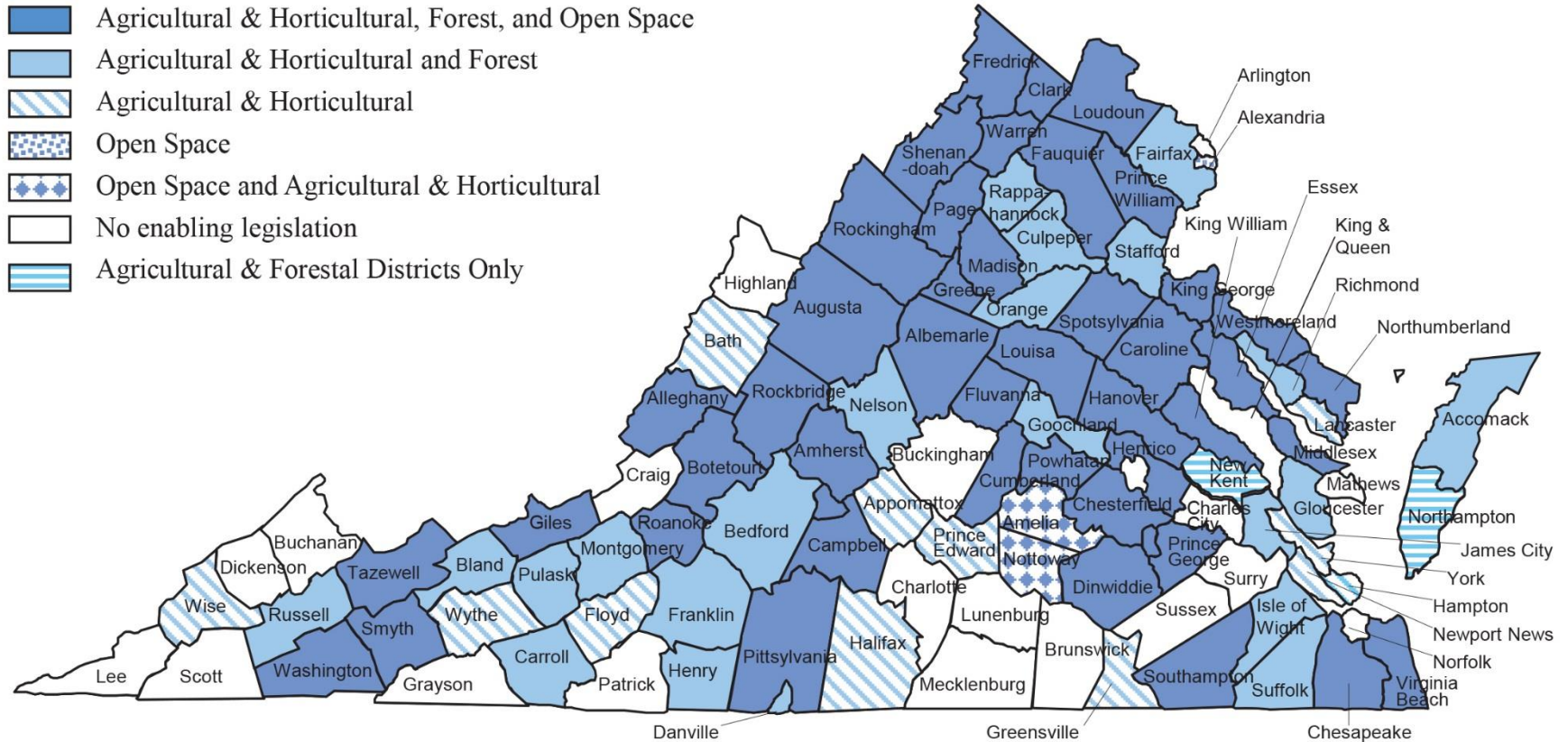
- Tax assistance programs
- Cost share programs
- Hunting leases
- Ecosystem services
- Non-timber forest products
- Timber



Tax Assistance

- Use-value taxation
 - Forest Use 74 counties/cities in Virginia
 - Land is taxed at current use, versus highest and best use value
 - Rural landowners use fewer services per dollar of taxes paid
- Provides incentive for keeping lands in rural uses

TY2015: Counties/Cities* with enabling legislation for use-value taxation
(Agricultural & Horticultural, Forest, and Open Space)



* Counties/Cities are identified from annual use-value reports and may differ from actual implementation. Contact government officials in each county/city for the current use-value implementation. Not all participating cities are identified on this map.

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Tax assistance

- Use value taxation
 - Forestland
 - Minimum of 20 forested acres
 - Devoted to forest use
 - May also qualify with land in agriculture, horticulture and open space
 - Contact your county tax assessors office



Tax Assistance



- Conservation easements
 - Give up certain rights in exchange for:
 - Virginia state tax credits
 - Federal income tax deductions
 - Lower property taxes
 - Typically give up some or all development rights and rights to subdivide - into perpetuity
 - In theory, keeps the land in rural use forever
 - Contact Virginia Outdoors Foundation

Tax Assistance

- Purchase and Transfer of Development Rights Programs
 - Similar to a conservation easement
 - Give up certain development rights
 - Into perpetuity
 - May receive cash payment (PDR) or reallocation of development rights, instead of tax benefits
 - Available in only some localities
 - Reduced property taxes

Cost-Share Programs

- Provides financial assistance for projects (such as tree planting, creation of buffers along waterways, etc.) on private lands which enhance:
 - Environmental protection
 - Water quality
 - Wetlands
 - Wildlife habitat
 - Woodlands



Cost-share Programs

- Programs are funded through a variety of agencies*
 - Natural Resources Conservation Service (NRCS)
 - Virginia Department of Forestry (VDOF)
 - Farm Service Agency (FSA)
 - Soil & Water Conservation Districts (SWCD)
 - Department of Environmental Quality (DEQ)
 - US Fish & Wildlife Service (USFWS)
- A complete list of current programs is available at:
www.dof.virginia.gov

*programs and availability of funds are subject to change

Cost Share Programs

- Popular programs include:
 - CREP: Conservation Reserve Enhancement Program
 - EQIP: Environmental Quality Incentive Program
 - PBBPP: Pine Bark Beetle Prevention Program
 - RT: Reforestation of Timberlands



Income Opportunities



- Hunting Leases

- Landowners provide limited access to their land for the stated purpose of hunting
- Can generate enough income to cover property taxes
- Hunters may agree to help improve wildlife habitat
- Can help maintain boundaries and prevent trespass

Income Opportunities

- Ecosystem Services (nature's benefits)
 - Aesthetics
 - Carbon storage
 - Climate mitigation
 - Wildlife habitat
 - Clean air
 - Clean water
 - Nutrient cycling



Income Opportunities

- Non-Timber Forest Products
 - All useable parts of the forest besides timber
 - Minerals
 - Plants
 - Plant parts
 - Fungi
 - Used for
 - Decorations (pinecones, berries)
 - Florals and seasonal greens
 - Cooking (mushrooms)
 - Medicine (ginseng)
 - Dietary supplements (ginseng, black cohosh)



Income Opportunities

- Non-Timber Forest Products
 - Your local Extension agent visit the Virginia Cooperative
 - The *Small Farm Digest*
 - Bureau of Land Management's Plant Conservation Alliance:
 - Local Community Sustainable Agriculture groups

Timber

- Traditional forest product
- Hardwood or pine
- Pulpwood, chip-n-saw, sawtimber, fuelwood, poles, veneer
- Rotation length varies depending on species and desired product
- Most landowners only harvest once or twice during their lifetime



Timber

- If done correctly, can provide a significant source of income and improve the health of a forest
- Should work with a professional forester
 - Virginia Department of Forestry
 - Consulting forester



Christmas Trees



- In Virginia:
 - 1 million trees harvested & sold annually
 - Annual revenues of \$20+ million
 - 1000's of growers
 - Farms range from less than 1 acre to several 100
 - Most popular species can be grown in Virginia

Summary

- Many opportunities to defray expenses
 - Tax assistance programs
 - Cost share programs
- Many income producing opportunities
 - Hunting leases
 - Non-timber forest products
 - Timber production
 - Christmas tree farming

