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

From: www.farms-land.com/forestry
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 acres=$1000/acre timber value
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10 acres buffer x $1000/acre= $10,000 buffer value
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25% of buffer value ($10,000)= $2500 tax credit
RBTC Example

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$100,000 paid to landowner for timber
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$100,000/100 acres=$1000/acre timber value
10 acres buffer x $1000/acre= $10,000 buffer value
25% of buffer value ($10,000)= $2500 tax credit
(If buffer was partially harvested: $2500x50%=$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??