



# OHIO'S FOREST PROPERTY TAX LAWS

Contact your service forester at [ohiodnr.com/forestry](http://ohiodnr.com/forestry)

Ohio Division of Forestry

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The State of Ohio offers landowners two options for the reduction of property taxes on their forestland. The **Current Agricultural Use Value (CAUV)** program (Ohio Revised Code Sections 5713.30 through 5713.38) provides for reduced property taxes at varying rates based on the productivity of the soil. The **Ohio Forest Tax Law (OFTL)** program (Ohio Revised Code Sections 5713.22 through 5713.26 and Administrative Code Sections 1501:3-10-01 through 3-10-07) provides for a fifty percent reduction in the local tax rate on forestland. Although forestland may qualify under both laws, any given tract can be enrolled in only one program. In exchange for the tax reduction conferred by Ohio's forest property tax laws, landowners agree to manage their forestland for the production of timber and other forest products and to abide by pertinent rules and regulations.

## COMPARISON of CAUV and OFTL

CURRENT AGRICULTURAL USE VALUE (CAUV)	OHIO FOREST TAX LAW (OFTL)
<p><b>Administered by:</b> The County Auditor for the county in which the land is located.</p> <p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>▪ Farms (building sites excepted) must be 10 acres or more and devoted exclusively to commercial agricultural use for the three years prior to the year of application; or if a farm is less than 10 acres, average gross income must be at least \$2,500 per year for three years, or anticipated income must be at least \$2,500 for the year of application.</li> <li>▪ If a tract of forestland is 10 acres or more, it is eligible for CAUV if that forestland is devoted exclusively to the commercial production of timber.</li> <li>▪ If the farm is devoted exclusively to agricultural use, adjacent non-commercial forestland may qualify under certain circumstances.</li> <li>▪ The landowner may be required to manage his or her forestland in accordance with an approved forest management plan.</li> <li>▪ There is a one-time application fee of \$25. The landowner must also complete an annual renewal application with no additional fee.</li> </ul> <p><b>Tax Reduction:</b> Varying reduction based on the soil productivity of the land on which the forest is located.</p> <p><b>Terms of Reduction:</b> If land use changes or if the landowner decides to withdraw his or her land from CAUV, there is a recoupment penalty equal to the tax savings for the preceding three years.</p>	<p><b>Administered by:</b> The Ohio Department of Natural Resources (ODNR), Division of Forestry (DoF).</p> <p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>▪ Forestland must be 10 or more contiguous acres (home sites and other building sites excepted) and not less than 120 feet wide.</li> <li>▪ Property boundary lines and/or forest boundary lines must be clearly marked prior to examination and those markings continuously maintained.</li> <li>▪ Before forestland can be certified, the landowner is required to demonstrate his or her intent to manage that land by completing a prescribed forestry practice.</li> <li>▪ The landowner must manage his or her forestland in accordance with a forest management plan approved by the Chief of the DoF.</li> <li>▪ Every five years, the DoF will inspect certified forestland to ensure compliance with the program and with the forest management plan.</li> <li>▪ During the first five years of certification, the landowner must attend eight hours of forestry education approved by the Chief.</li> <li>▪ There is a one-time application fee of \$50.</li> </ul> <p><b>Tax Reduction:</b> Forestland certified under OFTL is taxed at 50 percent of the local tax rate.</p> <p><b>Terms of Reduction:</b> Certification is continuous unless land use changes, ownership changes, the landowner withdraws his or her forestland from the program, or the landowner is otherwise no longer in compliance. There are no penalties for withdrawal.</p>

## HOW DO YOU DECIDE WHICH PROGRAM IS BEST FOR YOU?

Contact your county auditor’s office for a copy of your current property tax appraisal card. Using the figures on that card, you can estimate savings you will receive under Ohio’s forest property tax laws. Be sure to consider net taxes paid on forestland after accounting for the reduction factor and, when applicable, the ten percent rollback. The auditor’s office can compute CAUV using soil maps furnished by your county Soil and Water Conservation District (SWCD) office. Under OFTL, the local tax rate of forestland is reduced by fifty percent. For estimating savings you may receive, consider the following example:

- Your forestland amounts to 30 acres
- Effective local tax rate: 50 mills after all tax credits are accounted for
- Appraised market value: \$800 per acre (your amount may be greater; check local appraised value)
- Tax value: 35% of the appraised market value

### Estimated Property Tax without CAUV or OFTL

<u>Value</u>	<u>Calculation</u>	=	<u>Amount</u>
Total Value	\$800 per acre x 30 acres	=	\$24,000
Tax Value	\$24,000 x 35% (0.35)	=	\$8400
Property Tax Due	\$8400 x 50 mills (0.05)	=	\$420

Estimated Property Tax with CAUV			Estimated Property Tax with OFTL		
<i>Value</i>	<i>Calculation</i>	<i>Amount</i>	<i>Value</i>	<i>Calculation</i>	<i>Amount</i>
Total Value*	\$230 per acre x 30 acres =	\$6,900	Total Value*	\$800 per acre x 30 acres =	\$24,000
Tax Value	\$6,900 x 35% (0.35) =	\$2,415	Tax Value	\$24,000 x 35% (0.35) =	\$8400
Property Tax Due	\$2,415 x 50 mills (0.05) =	\$120.75	Property Tax Due	\$8400 x 25 mills (0.025) =	\$210**

\* Many forest soils in Ohio are assigned a CAUV of \$230 per acre. However, CAUV increases for more productive forest soils. The minimum estimated total value for forestland per acre in Ohio is approximately \$800 per acre, but this amount is greater in those regions where local property values are higher.

\*\* Note that the property tax rate in this example is reduced by half with OFTL, from 50 mills to 25 mills.

## HOW TO APPLY

**CAUV:** Apply at your county auditor’s office between the **first Monday in January and the first Monday in March**. For the three-year update or six-year reappraisal, the application period is extended to permit comparisons of CAUV with new appraisal values. The initial application fee for CAUV is \$25. You may be required to have a forest management plan in place at the time of application. Check with your auditor’s office well before the application period to determine requirements for CAUV in your county.

**OFTL:** Obtain a copy of “Application for Classification of Forest Land” (FT-6) from the Ohio Division of Forestry (DoF) through your service forester or from the DoF website ([ohiodnr.com/forestry](http://ohiodnr.com/forestry)). After completing the form, return it to your service forester along with:

- 1) A copy of your most recent property tax bill, available at your county auditor’s office;
- 2) Three photocopies of aerial photos of your property, available at your county Farm Service Agency (FSA) office, located at the U.S. Department of Agriculture (USDA) Service Center; and
- 3) A tax plat map, available at your county tax map office or county surveyor’s office.

Your service forester will then make arrangements to examine your forestland with you to determine if it qualifies. Once you have met all the requirements for application, your service forester will collect from you a non-refundable fee of \$50 and process your application.

***If you have questions, contact your service forester at: [ohiodnr.com/forestry](http://ohiodnr.com/forestry)***

**APPLICATION FOR CLASSIFICATION OF FOREST LAND**

To the Chief, Division of Forestry:

In accordance with sections 5713.22-.26 of the Ohio Revised Code, I hereby apply for the classification of certain lands owned by me as forest lands for the purposes of timber production and for the entrance of the same under the Ohio Forest Tax Law

**APPLICANT TO FILL BLANKS BELOW**

(Print or Type)

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone – Home \_\_\_\_\_ Work \_\_\_\_\_

Total number of acres on property \_\_\_\_\_ Number of acres in forest \_\_\_\_\_

Description of property (as found on the tax bill):

Parcel# \_\_\_\_\_

County \_\_\_\_\_ Township \_\_\_\_\_ Section, Range or Virginia Military Survey

Name and Number (if applicable) \_\_\_\_\_

Forest is located (give road name or number) \_\_\_\_\_

Is this forest land currently under the Current Agricultural Use Value (CAUV) program? \_\_\_\_\_<sup>1</sup>

Is forest grazed by livestock? \_\_\_\_\_<sup>2</sup>

Do you have any deed restrictions that deal with forest management? \_\_\_\_\_ If yes, please attach a copy of the deed restrictions.

Do you have a Forest Stewardship Management Plan? \_\_\_\_\_ If yes, please provide a copy of this plan.

Was this forest land previously classified under the Ohio Forest Tax Law? \_\_\_\_\_ Please provide previous owner's name \_\_\_\_\_.

Signatures of Owner(s)<sup>3</sup>

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

***DO NOT SUBMIT  
\$50.00 APPLICATION  
FEE AT THIS TIME***

Date \_\_\_\_\_

1 Forest land can only be placed under one tax reduction program, the Current Agricultural Use Value (CAUV) program or the Ohio Forest Tax Law.

2 Forestland can not be considered for forest land tax reduction unless the owner is willing to protect the woods from livestock.

3 This form must be signed by the person(s) whose name the property is recorded in the County Auditor's office, or if signed by an agent, the name of the recorded owner must be given also.





## Ohio Forest Tax Law (OFTL) Eligibility and Requirements

OFTL is administered by the Ohio Department of Natural Resources, Division of Forestry, according to the Ohio Revised Code and the Ohio Administrative Code. In exchange for the tax reduction conferred by Ohio's forest property tax laws, landowners agree to manage their forest land for the commercial production of timber and other forest products and to abide by pertinent rules and regulations.

If you would like to find out more about OFTL, contact your local service forester. A directory of service foresters can be found on the Division's website [forestry.ohiodnr.gov](http://forestry.ohiodnr.gov). Or, you may contact Ohio Forest Tax Law Coordinator Mark Wilthew at 440-632-5299 (or by email at [mark.wilthew@dnr.state.oh.us](mailto:mark.wilthew@dnr.state.oh.us)).

### Forestland Defined

According to the Ohio Administrative Code, "forest land" is defined as:

"Land for which the primary purpose is the growing, managing and harvesting of a merchantable forest product of commercial species under accepted silvicultural systems through natural or artificial reforestation methods and for which there is an approved forest management plan. The forest land shall consist of a stand or stands of commercial species of forest trees which contain at least fifty square feet of basal area or at least three hundred stems per acre which shall be evenly distributed throughout the stand."

### Eligibility of Forestland

If your forestland meets that definition, it may be eligible for certification under OFTL. Requirements for certification are:

- A tract of forestland must be at least ten (10.0) contiguous acres and no less than one hundred twenty (120) feet wide. Deductions are made for the following non-qualifying acreage:
  - Homesites and other building sites
  - Streams, rivers, roads, and utility and railroad rights-of-way more than 120 feet wide
  - Lakes and ponds greater than one acre (1.0) in size
- Non-forested strips more than 120 feet wide are considered a break in the contiguity of forestland. Areas of forestland on each side of that break will be considered for eligibility separately.
- Forestland must be accessible for management.

- Forest plantations are eligible for certification after at least one full calendar year as long as they include at least 300 living trees per acre of commercial species such as oak, hickory, maple, beech, cherry, walnut, yellow-poplar, pine, and so on.
- Commercial orchards and Christmas tree plantations do not qualify as forestland under OFTL. (They may be eligible under CAUV.)
- Property boundary lines and/or forestland boundary lines must be marked and those markings must be continuously maintained. Any of the following ways of marking boundary lines is acceptable:
  - Blazing of trees with paint
  - Installation of posts or stakes
  - Installation of a fence (an existing well-constructed fence qualifies)
- If the landowner uses paint, posts, or stakes, marks or markers must be no farther than sixty-six feet apart. Stakes or posts must have a height of at least four and one half feet above the ground. The use of flagging, ribbon, or surveyor's tape is not an acceptable way to mark boundary lines.
- If the landowner has cut or removed a merchantable forest product during the three years prior to the time of application, that cutting or removal must have been accomplished under an approved forest management plan or as part of an acceptable silvicultural practice.

## **Forest Management Plans**

In order to qualify for OFTL, landowners must have a written plan to guide them in the management of their forestland, a plan prepared or approved by a service forester working for the Ohio Division of Forestry. Landowners are required to follow the provisions of their forest management plan. At least once every five years, a service forester will examine certified forestland to ensure compliance with the plan and with other requirements under OFTL.

The Ohio Administrative Code defines a “forest management plan” as:

“A written document establishing direction and goals for the management of a specific forest land area. If not prepared by the division, the document must be developed by a professional consulting forester. The plan will specify all silvicultural practices and activities necessary to accomplish the merchantable production of a forest product, all practices that will minimize adverse environmental effects and will include but not be limited to the elements described in rule 1501:3-10-04 [i.e., location, description, map, management schedule, etc.]”

## Landowner Requirements

In order to have their land certified under OFTL and to continue with that certification, landowners must:

- Declare that their forestland will be devoted exclusively to forestry with a primary objective of timber production and may include its allied fields of maple syrup production, wildlife conservation, recreation, aesthetics, etc., where these do not interfere with the productivity of the forest.
- Establish and maintain property boundary line and/or forest boundary line markings according to OFTL standards.
- Demonstrate their intent to engage in management by successfully completing a prescribed silvicultural activity prior to certification.
- Follow the forest management plan prepared for their property.
- Before cutting timber, submit a silvicultural operation and management (O&M) plan, now called a timber harvest notice of intent (NOI) and timber harvest plan, with their local Soil and Water Conservation District (SWCD) office and with their service forester. Landowners can request a blank copy of the form from their local SWCD or service forester.
- When cutting timber, use a logger certified by the Ohio Forestry Association (OFA) as a master logger. A list of OFA Master Loggers can be found on the OFA website or by a link on the Division of Forestry's website.
- During and at the close of logging operations, implement best management practices (BMPs) to prevent or reduce erosion, sedimentation, and water pollution.
- Protect their forestland from livestock.
- To the best of their ability, protect their forestland from fires.
- Attend eight hours of forestry training, approved by the Chief of the Division of Forestry, within five years of certification of their forestland. Six hours of that training must be from a workshop entitled "Introduction to Woodland Management and Ohio's Forest Tax Law." The course is offered at least once annually in different locations throughout the state. The remaining two hours of forestry training can include forestry workshops, woodland steward programs, forestry field days, woodland owner meetings, etc.
- Comply with all laws, rules, and regulations promulgated by the Chief, which are used in the administration of Sections 5713.22 through 5713.26 of the Ohio Revised Code. See the Ohio Administrative Code Sections 1501: 3-10-01 through 3-10-07 for more details.

**Ohio Department of Natural Resources, Division of Forestry**

- Affirm their understanding that:
  - When certified forestland is divided or split into two or more ownerships, certification is cancelled.
  - When ownership of certified forest land changes through sale, deed transfer or any other means, the certification is cancelled except that an ownership change to effect the transfer of a certified property as a result of the death of the owner to their spouse shall not result in cancellation of certification upon the affirmation by the surviving spouse to the original agreement terms (FT-7) and forest management plan.
  - When certified forestland or any part thereof is converted to a use other than that of the commercial production of timber and other forest products (such as the construction of a house or other building, conversion to pasture, etc.), certification is cancelled.

**Landowners with questions should contact their local service forester or the Ohio Forest Tax Law Coordinator.**

(Rev 4.4.2014)



## Ohio Forest Tax Law (OFTL) Step-by-Step Process For Landowners

1. Obtain a copy of the form, “Application for Classification of Forestland” (FT-6), by writing to the Chief of the Division of Forestry, Ohio Department of Natural Resources, 2045 Morse Road, Building H-1, Columbus, OH 43229-6693, or from your local service forester. A directory of service foresters is available on the Ohio Division of Forestry website.
2. Submit the following documents to your service forester:
  - A completed application form
  - A copy of your most recent property tax bill(s)
  - Three (3) photocopies of aerial photographs of your property
  - One (1) full-size copy of a property tax plat map showing your entire property and at least one (1) road intersection.

Tax plat maps are available at your county courthouse. Aerial photographs are available from your local U.S. Department of Agriculture, Farm Services Agency (FSA) office. Be sure to take your tax plat map to the FSA office so that personnel there can easily locate your property. Some county auditor websites have GIS aerial photos available on line.

3. Upon receipt of the completed application, tax bill(s), aerial photographs, and tax plat map, your service forester will contact you for an appointment to visit your property. Prior to the service forester’s visit, your property boundary lines and/or forest boundary lines must be marked in one of the following ways:
  - Blazing of trees with paint
  - Installation of posts or stakes
  - Installation of a fence (an existing well-constructed fence qualifies)

Your paint marks, posts, or stakes must be no farther than sixty-six feet apart. Stakes or posts must have a height of at least four and one half feet above the ground. The use of flagging, ribbon, or surveyor’s tape is not an acceptable way to mark boundary lines.

4. During his or her visit, the service forester will examine your property to see if it is eligible for certification. If your forestland qualifies, you must demonstrate your intent to engage in management by completing a prescribed forestry practice. Practices commonly required include grapevine control, cutting cull trees, or controlling non-native, invasive plant species.
5. After you have successfully completed your prescribed forestry practice, your service forester or other qualified professional forester will prepare a forest stewardship management plan for your property.



6. Your service forester will send you a copy of your forest stewardship management plan (unless provided to you by another qualified professional forester), and three copies of the Ohio Forest Tax Law agreement form (FT-7). All three copies of the agreement form **must be signed by the person or persons whose names are recorded on the deed exactly as those names appear on the deed**. You must also sign the cover page to your forest stewardship management plan.
7. Return all three copies of the signed agreement form, the signed cover page(s) of your forest stewardship management plan, and a \$50 non-refundable application fee (checks only) to your service forester for processing. Make your check payable to the **Ohio Division of Forestry**.
8. Upon receipt of signed agreement forms, the signed cover page(s), and the application fee, your service forester will submit your application package to the Chief of the Division of Forestry for approval. The Chief will then issue a Certificate of Classification (DNR 4482) to your County Auditor, with copies to you and to your service forester.

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