

MAKE YOUR WOODS MORE AFFORDABLE: TAX RELIEF & INCENTIVES

Tax incentive or relief programs can offer long-term solutions for financing your woodland. These programs are usually offered at a state level and provide a landowner with a preferential property tax rate in return for sustained management planning and practices. In some cases, these programs will also offer per acreage financial assistance payments. Enrollment will generally require a landowner to work with both the state Department of Natural Resources and the Department of Revenue, and to make a long-term commitment in the form of long-term management plans or a conservation covenant.

OPTIONS	HOW IT WORKS	
Managed Forest Law: WI DNR	Landowner classifies land as open or closed to public recreational access	Active Forest Management Plan At least 20 contiguous acres with at least 80% forest cover No buildings or unapproved physical improvements Publicly accessible if classified as open for recreational use
2c Managed Forest Classification: MN DNR Division of Forestry	Minimum 1 year enrollment with no covenant with a 0.65% property tax class rate, which can be listed as an itemized deduction on federal income tax returns	Active DNR approved Woodland Stewardship Plan 20-1,920 contiguous acres of forest
Sustainable Forest Incentive Act (SFIA): MN DNR Division of Forestry	8, 20 or 50 year covenants with a preferential tax rate of 0.5-1.25% and 4 financial assistance payment plans based on market values, covenant length, and tax rates. Payments will vary, but are estimated between \$3.38/acre to \$15.54/acre depending on covenant. Property tax can be listed as an itemized deduction on federal income tax returns but financial payments are considered taxable income.	Active DNR approved Woodland Stewardship Plan At least 20 contiguous acres that are at least 50% forested with a management covenant Land is NOT used for residential or agricultural purposes Not enrolled in any other incentive programs

LOOKING TO MAKE A PROFIT? CHECK OUT OUR FACT SHEET ON TIMBER HARVESTS AND OTHER FOREST

LEAVE A LEGACY: CONSERVATION EASEMENTS

Conservation easements are voluntary legally binding agreements between a landowner and a land trust organization or government agency that limit or restrict development on the land to protect its conservation value. In return, the landowner receives financial assistance payments or in some cases, tax benefits. Enforcement of the restrictions are carried out by the agency or trust organization.

OPTIONS	HOW IT WORKS	
Forest Legacy Program: US Forest Service	Perpetual easement agreement in which state owns development rights and monitors easement annually, but owner maintains use and ownership	Intact land in an Active or Candidate Legacy Area defined by the US Forest Service
Land Trust Program: Various	Varied agreements between a landowner and land trust organizations or agencies	Varies: dependent on participating land trust organization and the landowner
Conservation Reserve Program (CRP): USDA	10-15 year agreement on environmentally sensitive lands that provide rental payments and up to 50% of landowner costs	Ownership for more than 12 months (some exceptions) Crop land that has been planted as commodity for at least 4 of the previous 6 crop years Suitable for approved conservation uses such as riparian, wetland or wildlife habitat buffers

TO LEARN MORE ABOUT CONSERVATIONS EASEMENTS CONTACT US OR REACH OUT TO AN AREA LAND TRUST:
THE NATURE CONSERVANCY • MINNESOTA LAND TRUST • WEST WISCONSIN LAND TRUSTS • TRUST FOR PUBLIC LANDS

WANT TO LEARN MORE? CONTACT US AT WWW.MYSTCROIXWOODS.ORG OR CALL US AT (715) 483-7053.