Hello Woodland Enthusiasts!

Winter is flying by and before we know it, spring will be here. There is a lot to look forward to as we approach the next season – wildflowers blooming, trees growing, and lots of OSU Extension programs (see pg. 2). You won’t want to miss Rural Living Day and Tree School Umpqua where you can attend multiple classes in one day that will help you to better manage your property (see pg. 3). Tax season also coincides with spring, so it’s time to buckle down and get working on that when the day is just a little too wet to spend outside (see pg. 4).

Spring is also a great time to get outside and work on your property in preparation for the upcoming hot, dry summer season. With wildfire risk increasing each year for homes and communities in Oregon, it is up to each of us as landowners to make sure that our homes and properties are prepared for wildfire (see pages 5 & 7). OSU Extension has several great publications on defensible space, thinning, pruning, and disposing of woody material on the Extension Catalog website. For more information, visit https://catalog.extension.oregonstate.edu/topic/forestry-and-wood-processing/wildfire.

We hope you enjoy a beautiful forest-filled spring!

Alicia & Lauren
Douglas & Lane County Extension Foresters
Upcoming Events

Feb. 6  DOUGLAS COUNTY WEED DAY. 8am-5pm. Douglas County Fairgrounds (Roseburg). $10 ($5 if you bring a weed sample). Learn about controlling noxious & obnoxious weeds & pesticide safety. ODA credits available. No pre-registration necessary. Call Douglas County Extension for more info.

Feb. 8  TREES & TAXES. 6pm-9pm. Lane County Extension Office (996 Jefferson St., Eugene). $10/person or $15/couple. Learn to improve the records you keep on your forestland, minimize the taxes that you pay for income generated by your forest, and what the benefits/challenges are for the different forest property tax deferral programs. Register through the Lane County Extension website.

March 5  FORESTS FOR ENGAGED LEARNING: A PLT & LANDOWNER PARTNERSHIP. 8:30am-4pm. Silvan Ridge Winery (27012 Briggs Hill Rd., Eugene). Free. Learn strategies to engage students in learning about Oregon’s forests on your property, or as presenter to a classroom. Materials included. Register through the Lane County Extension website.

March 9  RURAL LIVING DAY. 9am-4:30pm. Harrisburg High School (400 S. 9th St., Harrisburg). $25/person. Classes for rural property owners include bee keeping, compost, pasture management, well water management, Soils, tree ID, wildfires & more. Register on the Lane Co. Extension website.

March 26  SCIENCE PUB: MOST UNWANTED INVASIVE WEEDS. 5:50pm-7:30pm. Hilltop Bar & Grill, Pleasant Hill (Lane County). Free. Learn the impacts that invasive species cause in your local watershed & examples of commonly unwanted invasive species. No registration necessary.

March 29  TREE SCHOOL UMPQUA. 9am-5pm. Phoenix Charter School (3131 NE Diamond Lake Blvd., Roseburg). $55/person before Feb. 28. $70/person March 1-17. One-day mini-college for anyone interested in our region’s natural resources. Pick 4 classes to attend (33 are offered). Topics include woodland management, wildlife, forest health, forest business, fire, & much more. Register through the Douglas County Extension website. Call (541) 672-4461 to receive a class catalog.

April 11  INVASIVE SPECIES: IDENTIFICATION AND CONTROL. 6pm-8pm. Pleasant Hill High School. $10/person, $15/couple. Learn to identify and control the common invasive plants that threaten the health & diversity of your forested property. Register on the Lane County Extension website.

April 20  FIREWISE TECHNIQUES. 9am-4pm. Douglas County. Cost TBD. Learn effective fuel reduction techniques through hands-on practice covering thinning, pruning, & pile burning. Also includes chainsaw safety & maintenance, chipping, & fuel reduction practices near homes/in your forest. Interested in attending/want to know when registration is available? Call Alicia at (541) 672-4461.

April 27  BACKYARD WOODLANDS. 9am-4pm. Lane County. $35/person, $50/couple. Introduction to the basics of woodland stewardship. Register through the Lane County Extension website.

May 15-17  DOUGLAS COUNTY SCHOOL FORESTRY TOUR. Glide Educational Forest (Glide). 9am-2pm. Free. All Douglas County 5th graders welcome! Contact Douglas County Extension for more information or to volunteer: (541) 672-4461.

May 18  EMPOWERU SEMINAR. 9am-3pm. Lane County. $35/person, $50/couple. Learn how to work with decision makers, influence management decisions and stop the spread of invasive species. Register through the Lane County Extension website.

May 18  NEIGHBOR TO NEIGHBOR TOUR. Hosted by Douglas Small Woodlands Association. 9am-2pm. Oakland (Douglas Co.). Visit 3 small woodland properties & learn about forest management challenges & techniques. One year free membership to Oregon Small Woodlands Association for non-members in attendance. Interested in attending? Call Tami Jo Braz at (541) 459-1402.
Do you own or manage a small woodlot in Oregon? Are you thinking about acquiring property? Are you a land manager, logger, arborist, or simply a natural resource enthusiast? If you answered “yes” to any of these questions then Tree School is for you!

Tree School Umpqua is a one day mini-college for forestry and natural resource education. It is the premier opportunity to learn from forestry and natural resource experts and professionals on a wide variety of topics. Over the course of the day, 33 classes will be offered, and participants have the opportunity to attend up to four. If you’re a woodland enthusiast, then you won’t want to miss Tree School Umpqua!

We are excited to offer classes on the following topics at Tree School:

- Basic Timber Inventory
- Forest Disease & Drought
- Non-timber Forest Products
- Forest Stewardship Conservation Incentives
- Wild & Managed Bees
- Portable Sawmilling
- Oregon Forest Protection Laws
- Restoring Oak Habitats
- Forest Certification Systems
- Fire in Oregon
- Applying Herbicides to Forests
- Timber Harvesting
- Native Tree ID
- Forest Business Practices
- Fungi in the Forest
- Writing Contracts
- Forest Management Plan
- Forest Pests
- Chainsaw Use
- Songbirds in the Forest
- Wildlife Habitat in Forests
- Restoring & Maintaining Wooded Riparian Areas
- Wildlife Damage to Trees
- Shiitake Mushroom Growing
- Managing Invasive Plants
- Estate & Succession Planning
- Fish Habitat in Freshwater Streams
- Tree Species Migration
- Growing Christmas Trees
- Forest Thinning
- Reforestation
- Herbicide Basics Fuel Reduction Practices

Register online at: [https://extension.oregonstate.edu/tree-school/tree-school-umpqua](https://extension.oregonstate.edu/tree-school/tree-school-umpqua)

Questions? Contact Teagan Moran at (541) 766-3553

Don’t Miss Rural Living Day!

Friday, March 9, 2019

9am – 4:30pm

Harrisburg High School
(400 South 9th St., Harrisburg)

Cost: $25/person

If you are a small acreage/rural property owner or considering a move to the country you won’t want to miss this event. Workshops throughout the day offer something for everyone! The day kicks off with the opening session, *10 Most (un)Wanted Weeds*, then you get to attend 3 classes of your choice throughout the remainder of the day.

Register is open now!

Register online at:

[https://extension.oregonstate.edu/smallfarms/events/rural-living-day-2019](https://extension.oregonstate.edu/smallfarms/events/rural-living-day-2019)

Rural Living Day Classes Offered:

- Wildfire: A Hot Topic
- What can I do with my small farm?
- Rainwater Catchment
- Composting Materials on Your Property
- The Basics of Functional Agricultural Biodiversity
- Sharpening Hand Tools
- Pasture and Grazing Management: The Basics
- Intro to Woodland Management
- Understanding Water Rights
- Preserving tomatoes and tomato products
- Chainsaw Safety
- Soil: What It Is and What You Can Do With It
- Conservation Planning and Funding
- Living with Your Well and Septic System
- Making, Smoking & Curing Sausage
- To Bee or Not to Bee... Is beekeeping right for you?

Register online at:

[https://extension.oregonstate.edu/tree-school/tree-school-umpqua](https://extension.oregonstate.edu/tree-school/tree-school-umpqua)

Questions? Contact Teagan Moran at (541) 766-3553
The Federal income tax provisions that apply to timber have changed for the 2018 tax year from the December 2017 new tax legislation. To help family timber owners, foresters, and their tax preparers in filing their 2018 tax returns, this bulletin provides income tax guidance that is current as of September 30, 2018.

**Timber Property Types** | It’s important to recognize that the tax treatments vary significantly for different types of properties. You must make a determination on your property type each year. Your timber may be classified under one of the following three types: (1) personal-use property (mainly for personal enjoyment vs. for profit); (2) an investment property (mainly for generating profit from growing timber or asset appreciation); or (3) a business property (with regular, active, and continuous profit-making timber activities to qualify). Businesses are subject to passive loss rules (i.e., losses from a passive business cannot be used to offset nonpassive income such as wages). In other words, deductions from a passive business may be denied for the year (when there’s no income of the passive source). A passive activity is one in which you do not materially participate, mainly based on the number of hours you participate in the business. Also, your timber may be considered a hobby if it is not engaged for profit. Losses from hobby activities are generally not deductible.

**Deductions of Timber Expenses and Taxes** | For timber owned as a business, if you are “materially participating” in the business, the timber expenses are fully deductible on Schedule C of Form 1040. These expenses may include fees paid for forester, attorney, or accountant, precommercial thinning, firebreak maintenance, overnight travel, vegetation-competition control, insects, disease, and fire control, and depreciation from equipment used. For timber held as an investment, timber expenses (along with certain other “miscellaneous itemized deductions”) are no longer deductible, starting in 2018 through 2025 (Public Law 115-97). State and local property taxes on timber investment property are deductible on Schedule A. Alternatively, you may elect to treat these taxes as part of the timber costs (i.e., as “carrying charges”) and deduct them upon timber sales. Property taxes paid in a trade or business are deductible on Schedule C. Severance and yield taxes paid are deductible from the timber harvests.

**Timber Sales and Reporting** | To be eligible for the beneficial long-term capital gains, you must own the standing timber held as an investment for more than 1 year before the sale (inherited timber is automatically considered long-term). Timber sale expenses are deductible from the sale proceeds. Report the sale of standing investment timber on Form 8949 and Schedule D. However, if the business taxpayer cut his timber (or had “a contract right to cut” the timber) to sell or to use in his trade or business, different rules apply. Under this sales method, capital gain treatments (Sec. 1231 gain) are available when the taxpayer has owned such timber for more than 1 year and elects to treat the cutting as a sale. The election is made on Form T, Part II.

$15,000 - $4,000 cut-n-haul cost from the sale of felled timber is ordinary income.

**Timber Basis and Depletion Deduction** | Generally your timber basis is the amount you paid for it (if you purchased the property). For inherited property, it is the timber’s fair market value on the decedent’s date of death. Timber depletion is a deduction against the timber basis upon timber sale.

**Timber and Landscape Tree Casualty Loss** | Depending on the type of properties affected, loss of timber and landscape trees due to a casualty event such as hurricane, fire, earthquake, tornado, or hail or ice storms may be tax deductible. For timber held as an investment or a business, the loss deduction is the smaller of the adjusted basis of timber and the difference of the FMV of the timber immediately before and after the casualty in the block. Report salvage sale of timber separately. A taxable gain may result if the salvage sale exceeds the adjusted basis of the timber and related selling expenses.

For 2018 landscape tree loss at a private residence, the deductible casualty loss would be limited to federally declared disasters.

**Installment Sales** | Using Form 6252, a taxpayer may defer taxes by spreading the gain from the property sale over 2 or more years.

*(Continued on page 9...)*
Himalayan blackberries, broom, hawthorn, and poison-oak have long been a challenge to landowners in Douglas and Lane Counties. Whether you are a rancher trying to graze animals, a woodland owner trying to grow trees, or a landowner that simply wants to walk your property without being accosted by long thorny canes, there are many reasons to reduce the footprint of these rapidly spreading plants. Each of these plants is capable of outcompeting more desirable vegetation and reducing the diversity of vegetation on your property. They also act as ladder fuels, increasing the risk of crown fires and intensifying the heat around the base of trees that might survive a fire if the undesirables weren’t present. These plants also take valuable nutrients and water away from wanted vegetation.

So, what options does a landowner have to rid themselves of these undesirable plants? Several actually. Every situation will be different. Herbicides are a valuable tool, as are burning, mowing, and hand trimming. Each of these tools has their place and sometimes combinations of them work best.

Mowing brush has several benefits. It leaves mulch on site which helps with moisture retention, builds nutrients and organic matter in the soil, and suppresses weeds. It also limits soil disturbance which reduces potential for erosion and the influx of non-desired weeds like thistles. Mowing doesn’t kill the plant outright, like an herbicide would. But, if an area is mowed and then sprayed with herbicide, less chemical can be used to cover the same area. Additionally, a plant under stress after mowing can be more susceptible to herbicide application and the herbicide can be used more selectively.

Mowing can also be used in concert with burning. Sometimes burning doesn’t effectively remove unwanted brush if blackberry canes are too dispersed with all of the fine leaf matter at the top of the clump. In other instances, brush can be too volatile and unpredictable to burn, particularly if it is in close proximity to ownership boundaries or structures. If brush is mowed and left to dry, the area can be burned using a low intensity creeping fire to prepare ground for planting.

So, what should you look for when hiring someone to do mechanical brush mowing? First of all, make sure your contractor is licensed, bonded, and insured. Be very clear on how you are going to be billed. Is the job a fixed-price quote? Are you paying by the acre or by the hour? How will work be measured and when will you pay? This should all be covered in a contract. Have a contract. Sign the contract. This document protects you both. Does your contractor know the laws about fire prevention and have the appropriate fire prevention equipment? If not, move on to someone that does. It’s not worth the risk. Ask for references. An experienced contractor should be able to give you names of clients and point out projects they have done for you to look at.

Be very clear on your priorities. Are there specific plants or trees you want left? Do you want everything mowed? Did you just plant seedlings? Are there specific areas you want left alone? Walk the area with your contractor and point those out, hang ribbon, whatever it takes to get you and your contractor on the same page. Are there wet areas? What about fences, old buildings, old equipment, or hidden rock piles? Your contractor will appreciate a heads up about those because they can cause expensive damage to equipment. Your contractor wants to do a good job for you. The clearer you both are on what you want accomplished, the better off you will be.

Sarah Schartz owns ZT Rahcs, Inc. a company that provides brush clearing services. You may reach her at kschartz@q.com or visit the company website at www.ztrahcsexcavation.com
Exotic Pest Threat: Elongate Hemlock Scale

Forest Health Fact Sheets are written and provided by the ODF Forest Health Program: https://www.oregon.gov/odf/forestbenefits/pages/foresthealth.aspx

The elongate hemlock scale (EHS) was detected on Fraser firs grown in North Carolina and imported on Christmas trees to Oregon. The Oregon Department of Agriculture ordered the company to destroy or send back the infested tree, but some had already been sold at retail stores. EHS has been established in the eastern U.S. since at least 1908 and has become a pest of eastern hemlock (Tsuga canadensis) and Carolina hemlock (T. caroliniana). EHS is not established in Oregon, but has the potential to become a pest of western hemlock (T. heterophylla) and mountain hemlock (T. mertensiana). It is also known to feed and reproduce on Douglas-fir, spruce (Picea sp.), fir (Abies sp.), and pine (Pinus sp.). Below are tips on how to identify and reduce risk of spreading EHS on infested Christmas trees.

The EHS spends the majority of its life as an immature larvae (1.5 mm long) under a brownish white waxy layer fixed to the needles. EHS feed on the underside of conifer needles. Damage is most apparent on older needles on the lower part of the tree. Yellow bands may appear on the top of needles with EHS. Trees with heavy feeding damage drop needles and crowns appear thin. Excessive feeding reduces tree growth.

Best Management Practices for Christmas trees

1. Visually inspect Christmas trees for the presence of EHS. Pay special attention to trees marked or labeled as Fraser fir, which are grown commercially in the eastern U.S. and have been the only tree species with EHS detected in western states this year.

2. If a tree is suspected to have EHS or is marked as a Fraser fir, separate it from other trees. Suspect trees should be sent to the landfill, a municipal wood recycling center, or burned as soon as possible. Send electronic photos to the resources listed below.

3. Other Christmas trees can be mulched and spread along trails and landscaping or used in stream restorations for fish habitat improvement. Do not illegally dump or dispose of Christmas trees in Oregon’s forests!

4. Before or after mulching, cover trees with plastic and leave for approximately four to six weeks. Plant material will dry, and any emerging insects will be captured under the plastic and die. Plant material can then be safely spread. It is important to note that although this tactic is likely to work for EHS, it has not been documented as such.

To report suspect EHS contact:
• Wyatt Williams, Invasive Species Specialist, Wyatt.Williams@oregon.gov
• Christine Buhl, Forest Entomologist, Christine.buhl@oregon.gov
• Or, Oregon Invasive Species Hotline: https://oregoninvasiveshotline.org

Further Reading/More information:
• Penn State Fact Sheet: https://ento.psu.edu/extension/factsheets/elongate-hemlock-scale
• North Carolina Fact Sheet: https://content.ces.ncsu.edu/elongate-hemlock-scale
• U.S. Forest Service Fact Sheet: https://www.forestpests.org/acrobat/EHScale.pdf
Who owns Oregon's forests & how does that matter when it comes to fire?

This article was originally published in Jan. 2019 as part of the Fire FAQ series (EM 9228). To read more Fire FAQ’s, visit: http://extensionweb.forestry.oregonstate.edu/fireprogram

By Lauren Grand, Carrie Berger, Stephen A. Fitzgerald, & Daniel Leavell (all of OSU Extension)

With forests making up nearly half of all land in Oregon, wildfire is a frequent occurrence across the state, particularly in southern and eastern Oregon. Federal dominance

At the center of the fire landscape is the federal government. At a total of 18 million forested acres, there is more contiguous public land in federal hands, and thus more potential for fire.

In addition, federal lands such as national forests are more accessible to the public. The probability of a wildfire increases as more people visit, recreate, and work in a given area. Humans are the leading cause of wildfires, both in Oregon and across the nation. Fires can result when people leave campfires unattended, negligently discard cigarettes, or commit intentional acts of arson.

Lightning is another major cause of fires, and federal lands make up much of Oregon’s “lightning belt”—a diagonal strip of the state from southwestern to northeastern Oregon where lightning strikes are more common.

**Fire frequency and size**

Although the wildfire season is about 4–5 weeks longer than it was historically, the total number of individual wildfires in the last 15 years trends slightly downward in Oregon. The number of wildfires on federal lands in Oregon is typically greater than the number of wildfires on state or private lands

Fire has consumed an increasing amount of acreage across all lands—federal, state, and private—in Oregon over the last 15 years. In fact, the 2017 wildfire season was one of the worst on record for both Oregon and the nation in terms of total acres burned.

Differences in firefighting strategies between ownerships may play a role in the total number of acres burned. However, the priority for every wildland fire management activity by all local, state, and federal agencies is firefighter and public safety.

The Oregon Department of Forestry actively suppresses fires on its own lands, on private lands, and by contract on western Oregon Bureau of Land Management lands. The US Forest Service (USFS) also actively suppresses wildfires and makes use of backburning and burnouts to suppress fire, which increases the area of acreage burned.

Some possible reasons for the increase in total acreage burned include:

- An increase in the number of fires caused by humans
- A history of fire suppression that has led to an increase in the amount of fuels that are connected across the landscape
- A warmer and drier climate that is causing available dead fuels to dry out earlier in the year
- A warmer and drier climate that reduces the moisture content of live vegetation. This increases plants’ potential to combust and adds to the available fuels on the landscape.

**Strategic differences**

No two forests are alike, nor are they managed the same way. Typically, federal, state, and non-industrial and industrial private lands are managed with different objectives in mind. Topography and weather aside, different management strategies have different effects on the amount and arrangement of fuels. Those differences affect fire behavior and, ultimately, how many acres burn. Forest management that considers fire risk and applies the appropriate management strategies may reduce the fire’s size and intensity.
None of the mills are too excited about purchasing a lot of logs with lumber prices staying low, but the good news is most of you are on dirt roads and can do a little more waiting to see if prices bounce back up a bit. Now don’t get me wrong, $650 is a great price for 8 inch plus Douglas-fir long logs. Especially if you are remembering back to the recession where prices dipped well below $500. But if you’re like me, the sweet taste of the $900 + prices will take a while to dissipate. But, we will all have to reset our expectations because it is looking like those prices were more likely a fluke and less likely the new normal.

The Hem-fir sorts (spruce, hemlock, grand fir) are remaining pretty stable. These logs aren’t suffering as much as Douglas-fir compared to their typical price points. If you can find a buyer, long logs are in the $485 - $500 range. However, if you’ve only got short logs then prices are more dismal at $350 per thousand board feet (MBF).

Unfortunately, the story of ponderosa pine is still the same. There aren’t a lot of buyers, prices are down, and uncertainty in the Chinese tariffs are keeping people conservative. Prices in Lane County are still in the low $300 range, but increase by about $50 down south. If you are selling pine, consider your trucking distance. At these prices, if you have to move it too far, you may be losing money instead of making it.

Conifer chips have increased a bit from last quarter’s report and are in the $50/ton range. For small landowners chipping material rarely has much monetary incentive, but can be an option if you are doing a large stand improvement project. Chip prices tend to rise in the winter, so if you can get it done, this is the best time to do it.

Someone may have gotten the word out about hardwoods and log buyers have good inventories in their yards. In addition, tariffs continue to cast their shadow. These factors seem to have decreased alder prices a bit since my last report. Prices for alder are hovering around $80 per ton or $600/MBF.

Alder isn’t the only species that is coming down from my last report. Cedar prices in the valley are down to $850/MBF for long-log cedar (above 36 feet in length) and $50 less in Roseburg. Short log values decline by another $100-$200 depending on the length. Redcedar will stay strong and flat in its prices likely for the next few months.

(Continued on page 9...)
Incense cedar values in Douglas County mills are running close to $775 for long logs at 8”+. Drop down to the 6” – 7” log and you’ll see values about $50/MF less. Short logs come down $100- $300/MF further depending on diameter. Incense cedar is being purchased in the valley, but at lower values ($650) than Douglas County roughly in conjunction with the cost of trucking it to the Roseburg mills. Again, incense is in demand. For those of you interested in Port-Orford-Cedar in the Douglas County area, prices range from $550-$600.

Well we were right, there was downward pricing pressure by Japanese buyers about the same time domestic Douglas-fir log prices were decreasing. This has brought down the export prices to around $600/MF.

This is the time for poles! Poles are continuing to go strong and look irresistible to sellers who are missing those late 2017 and early 2018 prices. Historically, pole values are a steady- eddie in large part to the increased time between harvest and end-use. They also aren’t tied to the lumber market which is down at the moment. Poles less than 70 feet long are bringing in about $50 more than last quarter and are sitting in the $1000/MF range. Prices increase as length increases. Long poles are selling around $1125 and extra-long are up even more at $1250.

Last, but not least non-timber forest products. Oregon grape is still the prime candidate for small woodland owners. Oregon grape is down just a nickel and is selling for $0.70 a pound green. It’s best to get the product to your buyer within 3-4 days from harvest. There is a premium for certified organic. Usnea lichen is still sitting pretty at $5.50 clean and dry per pound. Usnea lichen is commonly confused with some others including false and fishnet lichens. To tell them apart, Usnea lichen has a white bungee-like cord in the center that stretches when you try and pull it apart. If you aren’t sure you’ve got the correct lichen, bring in a sample to your buyer.

The good news is that most prices are coming back up or staying fairly steady from last quarter. Keep working on those management plans I recommended last quarter. The market is all about timing and when you’re on top of the ball, you can take advantage of a good situation on short notice.

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Continued from page 4 (2018 Tax Tips for Forest Landowners)

**Reforestation Costs** | Reforestation costs are tax deductible. Taxpayers may deduct up to $10,000 ($5,000 for married couples filing separately) per year per qualified timber property (QTP). Any amount over $10,000 per year per QTP may be deducted over 84 months (amortized). Trusts are eligible for amortization only.

**Depreciation, Sec. 179 Expensing and Bonus Depreciation** | For timber held as an investment or a business, you may take depreciation on the assets used (for example, tractor, logging equipment, bridge, culvert, fence, or temporary road). Land is not depreciable. Also, business taxpayers may elect to deduct up to $1,000,000 for qualifying property in 2018, subject to $2,500,000 annual phase-out and business taxable income limitations (Sec. 179 expensing). Also, eligible taxpayers may take a bonus depreciation equal to 100 percent of the cost of qualifying property.

**Net Investment Income Tax** | Timber sales from an investment or passive business may be subject to a 3.8-percent net investment income tax for single taxpayers with adjusted gross income (AGI) over $200,000 (or $250,000 for couples).

**Cost-Share Payments** | You may exclude part or all of a qualified cost-share payment you received from your income if it was used for capital expenditure. Otherwise, report it as ordinary income. Qualified Federal programs for income exclusion include the Forest Health Protection Program, Conservation Reserve Program (CRP), Conservation Security Program, and Environmental Quality Incentives Program. Several State programs also qualify for exclusion. The excludable amount is the present value of the greater of $2.50 per acre or 10 percent of the average annual income from the affected acres over the last 3 years.

$9,600 of income from the property in the last 3 years, he could exclude up to $6,287 (($9,600 ÷ 3) ÷ 5.09%). Attach a statement to the tax return describing the cost-share program and the exclusion calculations.

**Filing Form T (Timber)** | Form T (Timber), Forest Activities Schedule, is required if you claim a timber-depletion deduction, sell cut products in a business (under Sec. 631(a)), or sell outright business timber. However, you are not required to file if you only have occasional timber sales (one or two sales every 3 or 4 years).

**Conservation Easement** | Donation of a qualified conservation easement are tax deductible. The deduction is up to 50 percent (or 100 percent for qualified farmers and ranchers, including forest landowners) of the taxpayer’s AGI in a year. Any excess amount of donation over the 50- or 100-percent limit may be carried forward for 15 years.

**Like-Kind Exchanges** | The tax deferral rules for like-kind exchanges after December 31, 2017, apply only to exchanges of real property not held primarily for sale. It no longer applies to personal property.
Canopy View News
A Forestry & Natural Resources Newsletter for
Woodland Enthusiasts of Douglas & Lane Counties

Spring 2019 – Issue #2

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