Out walking in the frozen swamp one gray day, I paused and said, “I will turn back from here. No, I will go on farther — and we shall see.” The hard snow held me, save where now and then, one foot went through.

The view was all in lines straight up and down of tall slim trees too much alike to mark or name a place by. So as to say for certain I was here or somewhere else. I was just far from home.

A small bird flew before me. He was careful to put a tree between us when he lighted, and say no word to tell me who he was. Who was so foolish as to think what he thought. He thought that I was after him for a feather — the white one in his tail, like one who takes everything said as personal to himself. One flight out sideways would have undeceived him. And then there was a pile of wood for which I forgot him and let his little fear carry him off the way I might have gone. Without so much as wishing him good-night.

It was a cord of maple, cut and split and piled — measured, four by four by eight. And not another like it could I see. No runner tracks in this year’s snow looped near it. And it was older sure than this year’s cutting. Or even last year’s or the year’s before.

The wood was gray and the bark warping off it and the pile somewhat sunken. Clematis had wound strings round it like a bundle. What held it, though, on one side was a tree. Still growing, and on one side a stake for a prop. These latter about to fall.

I thought that only Someone who lived in turning to fresh tasks could so forget his handiwork on which he spent himself, the labor of his ax, and leave it there far from a useful fireplace to warm the frozen swamp as best it could. With the slow smokeless burning of decay.

Robert Frost
Taking care of invasives when you find them is an important priority in your woodland management activities

The Invasives

For example:

1. Treating weeds, like spotted knapweed, when found in the road right-of-way and prior to a timber sale, can prevent its spread throughout a project area.

2. Control of glyphosate-resistant mare’s tail can improve survival of a new pine plantation; mare’s tail is a strong competitor for soil moisture.

3. Wiping out a thistle intrusion when it’s small can save you a visit from a county weed inspector.

4. Even though many weed species will disappear after shade becomes re-established on the site, the seeds may be stored in the ‘seed bank’ to increase future problems. Mullein seed has a viability of 100 years!

5. In areas with severe invasive species problems, the degree of disturbance on a site should be matched by the efforts to re-establish native species, including grasses and herbs. If you are interested in adding to your knowledge on this topic, email your address to The Woodpile. We will send you a free set of invasive species identification cards, produced by the St. Louis County Land Department.

About this newsletter

In his poem, The Woodpile, on page 1, Robert Frost talks about walking through a frozen swamp. He considers going back but decides to continue. A small bird flies ahead of him, interacting with him cautiously. Then Mr. Frost happens upon a decayed woodpile, for which he forgets the bird. He wonders who made the pile and why that person left it there to rot.

Our Woodpile is a newsletter intended for those of you who have management plans for your woodlands. It matters not whether your plan was written by a Department of Natural Resources forester, private consultant, industry forester, Soil and Water Conservation District forester, or someone else!

What matters is that you go to your plan often - and do not ‘leave it to rot!’ Read it, attempt to manage your woodlands with the advice your plan gives you. And, most important, ask more questions, get more help if you want it.

The Woodpile provides you with another avenue of communication among your fellow plan holders.

If you have ideas and techniques that help you improve your woodland management activities, or that help you understand your management plan better, consider writing a short article about it - or just let us know. We will take it from there. If you have questions about your plan, come to the Woodpile and ask.

The Woodpile will be published somewhat quarterly, around the 15th of November, February, May, August. Send articles/thoughts/comments/questions before those deadlines to katy@paulbunyan.net or Casey.Olson@mn.usda.gov.
A Springtime Equation: TREES & TAXES
by Geary Searfoss

Being a forester as well as an Enrolled Agent, a CPA (licensed in Wisconsin) and a tree farmer, I get a lot of questions throughout the year related to the income tax issues of growing trees. As an introduction to the topic, let's take a look at a few of the most common questions forest owners commonly have.

Is income from the sale of timber taxable? Since the Internal Revenue Code does not specifically exclude income from the sale of timber, it is taxable. You will likely receive a 1099-S from the entity that purchased your timber. Keep in mind that if you received a 1099, so did the IRS.

Can I deduct anything against timber sale proceeds? Yes. Any expenses you had in relation to the sale such as consulting forester fees, the cost of tree marking paint or ribbon and other out-of-pocket expenses can be deducted from the timber sale proceeds. You may also have what is known as basis in the timber you sold. This basis can also be deducted.

What is basis and how is it determined? Basis is your tax cost in an asset. If you purchased your property, your basis is what you paid for it. If you received the property through an inheritance it is the fair market value on the date of the decedent’s death (or alternate valuation date if the executor so chose). If you received the property as a gift your basis could be the same as it was to the person who gave the property to you (if its fair market value exceeds the donor’s basis) or it could be the fair market value (if its fair market value is less than the donor’s basis) or you could have a different basis depending upon whether you had a gain or loss on its sale. That last one is a bit beyond the scope of this article.

So I can deduct the full cost of my property against a sale of timber? No. Your cost is the basis in the whole property. Keep in mind that in addition to timber you also purchased the land. You may also have purchased some improvements and the property may have some other attributes, such as a deposit of gravel. The basis needs to be allocated before you can deplete the portion related to the timber. This allocation can be done one of two ways. The most advantageous is to allocate based on relative fair market values as of the date of acquisition.

This requires you to determine the fair market values of the land, timber, improvements and other attributes on the date you purchased the property. The other allocation method is easier but usually is less advantageous. If you have just land and timber you can subtract the land fair market value on the date of purchase from the purchase price. The remainder is the basis allocable to the timber.

Once you have made an allocation to timber you can deplete it to the extent that you harvest timber. For example, if you harvest 60% of the total timber available on the property then you can deduct 60% of the amount in your depletion allowance (cost) account.

Anything else I should know about the sale of timber? Yes. Assuming you did not conduct the harvest yourself and also assuming you have held the property for at least a year and a day, the sale will likely qualify for long-term capital gains treatment. This will give you a lower tax rate than what you would pay if it were ordinary income. If you did the logging yourself there is a special election you can make to get long-term capital gains treatment but that is a bit beyond the scope of this article. If the timber property is located in a state different from your home state, keep in mind that you will also need to file a tax return for the state in which the property is located. Your home state will likely give you a tax credit for taxes paid to other states though it may fall short of the tax actually paid if your home state has a lower tax rate.

Have additional questions or want to explore some of these topics in a little more depth? The Minnesota Department of Natural Resources has contracted with Geary Searfoss to provide free forest related tax information to any eligible party. An eligible party includes any individual, business or other entity owning forestland in the State of Minnesota as well as tax preparers located in Minnesota and other Minnesota residents. I can be contacted at 715-266-8290. Check out my web site at www.gscpa.biz.
It’s true, the ground is freezing, the snow will soon be covering successes and failures of last Summer’s projects – and tree planting is merely a vision for a future six to eight months down the path of the seasons. However, here are some ideas that should plant seeds in your minds!

**Woodland Stewardship**
A Practical Guide for Midwestern Landowners. This second edition has been updated by the University of Minnesota Extension. It includes chapters on: Managing important forest types · Developing nontimber forest products · Managing forests to benefit wildlife and more. Purchase from: www.extension.umn.edu

**Woodworking for Wildlife**
Minnesota author Carrol Henderson’s popular book has been updated and features designs for 28 different nest box projects, including mergansers, dippers, flycatchers, bumblebees, and toads! Purchase from: www.dnr.state.mn.us/publications/books/index.html

**Trees and Shrubs of Minnesota**
In this new identification resource, there is authoritative, accessible, and up-to-date information on the state’s native and naturalized woody plant species. Written for everyone from scientists and environmentalists to teachers and people interested in horticulture and gardening. Purchase from University of Minnesota Press: www.upress.umn.edu Books/S/smith_trees.html

**Getting off the couch**

**Seasonal projects in the woods**
Order tree seedlings. Both public and private tree nurseries typically end up with limited supplies in the spring. Order for next spring’s planting:
- State Tree Nurseries: www.dnr.state.mn.us/forestry/nurseries/index.html
- For private nursery information, contact the Minnesota Nursery and Landscape Assn.: www.mnla.biz
- For Soil and Water Conservation District seedlings, contact the

**Supervising your timber sale**
Since most timber harvesting takes place in the winter, it’s best to get off the couch, to show up frequently at your sale, and act interested. Most loggers like to visit a little. If you, as the landowner know someone who knows something about logging, get them to go along. Asking a logger for references of landowners they’ve worked for is a good idea before contracting. Hopefully you can look at the results of someone else’s harvest. GET A CONTRACT even (and especially) if it is someone you know. Keep the timber sale a business transaction that is not going to jeopardize your friendship.