Private family owned forest land provides wildlife habitat, watershed protection, aesthetics, and biodiversity that benefit all Minnesotans. Because of the public benefits private forest land provides, and to help family forestland owners manage their lands the Minnesota legislature created the

1. Rural Preserve Program,
2. Sustainable Forest Incentive Act Program (SFIA) and
3. Managed Forestland Program.

The Rural Preserve Program offers a deferral of property taxes on qualifying lands. This program is designed to protect class 2b rural vacant lands associated with lands enrolled in Green Acres. The SFIA program offers annual cash payments of $7 per acre for qualifying property. The Managed Forestland Program provides a reduction in classrate for qualifying forestlands. This publication will help you decide which of these programs, if any, fits your situation.

**Property Classification**

Money raised by property taxes is a major source of funding for school districts, cities and townships, counties, and special taxing districts. Compared with sales or income taxes, property taxes are a more stable source of revenue for local units of government. However, property taxes may become a financial burden for landowners that cannot produce regular income from their land.

Your county assessor determines the valuation and classification of your property. That valuation and classification is used to determine your property’s share of the property tax levied by the county, city, township, school, and any other property tax levying bodies (such as a watershed district) in which your property is located.

The process of determining your property tax requires several steps beginning with your property’s estimated market value (EMV). The EMV is based on your land’s highest and best use and historical sales of similar properties. The EMV is then multiplied by a class rate to determine the tax capacity of the property. The state legislature establishes different property classifications based on land use, each with a different class rate. The assessor assigns a classification to your property based on its current use on January 2. Table 1 shows class rates that most commonly apply to family forest land. Although a reduction in the class rate percentage will often lower your property taxes the calculation of taxes paid is a function of the tax levy set by the county commissioners and other taxing bodies. In addition, after applying the class rate, your final property tax bill may be subject to additions for special assessments or credits for homestead. Review your tax bill to see how your property is classified and what credits you are receiving.

Before enrolling in a preferential tax program or requesting a reclassification of your property, talk with your assessor to learn
how a change in classification will affect your tax. Changing your classification may alter your property assessment, resulting in a higher or lower tax. In addition, as more land is enrolled in different classes, some with lower class rates and valuations, the tax burden shifts among properties. For example, if a large number of landowners enroll in programs that change their class rate from 1.00% to .65%, tax bills may not be reduced by 35% because of how the tax burden is redistributed to all property owners.

Table 1. Property Tax Class Rates and Descriptions for taxes payable in 2011.

<table>
<thead>
<tr>
<th>Class Rate</th>
<th>Class Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.50%</td>
<td>2a. Agricultural Homestead, (farmland only, not considering house, garage &amp; one acre): first $2,140,000 over $2,140,000</td>
</tr>
<tr>
<td>1.00%</td>
<td>2b. Non-homestead property classified as 2b – Rural vacant</td>
</tr>
<tr>
<td>0.50%</td>
<td>2b. Rural vacant Non-Homestead Property owned by Farming Entities with shareholders or members utilizing unused shareholders or members 1st tier Agricultural Homestead Value</td>
</tr>
<tr>
<td>0.65%</td>
<td>2c. Managed Forest Land</td>
</tr>
<tr>
<td>1.00%</td>
<td>4c(1). Seasonal residential recreational, non-commercial first $500,000 over $500,000</td>
</tr>
<tr>
<td>1.25%</td>
<td></td>
</tr>
</tbody>
</table>

Planning ahead is particularly important for property owners who are currently enrolled in Green Acres. See [www.revenue.state.mn.us](http://www.revenue.state.mn.us) Green Acres Fact Sheet (Fact Sheet 5) and Rural Preserve Property Tax Program (Fact Sheet 15).

Real estate taxes on enrolled land are based upon a value that is not influenced by outside factors such as urban sprawl or seasonal activities. Rural Preserve is designed to work in conjunction with the changes that were made to the Green Acres program in 2008, 2009, and 2010.

The assessor determines two values on land enrolled in Rural Preserve:

- The *estimated market value* based on sales of similar property taking into consideration all of the outside factors that influence its market value.
- The *value without regard to outside influences* or *Rural Preserve Value* which must not exceed the Class 2a tillable value for that county.

Taxes are calculated on both values, but paid on the lower value each year and the difference in values is deferred. When the property is sold, transferred, or no longer qualifies for the Rural Preserve Program, the deferred taxes for the current year and two prior years must be paid to the county.

Special local assessments may be deferred while the property qualifies for Rural Preserve. When the property no longer qualifies for the program, all deferred special assessments plus interest are due.

**Qualifications**

The land must be Class 2b rural vacant land that is:

- Enrolled in Green Acres for taxes payable in 2011 OR is part of an agricultural homestead property currently enrolled in Green Acres.

The Rural Preserve Program provides property tax relief for eligible Class 2b rural vacant land associated with the Green Acres program. Applications are due on May 1.
• Contiguous to Green Acres property.
• Not be enrolled in, Open Space, Metropolitan Agricultural Preserves or Sustainable Forestry Incentive Act.
• Not delinquent in property taxes.

Enrollment Procedures
• Obtain a Rural Preserve Application form at your county assessor's office.
• Obtain the most recent aerial photograph of the property from the Farm Service Agency or County GIS and outline the land you wish to enroll on the photograph.
• Bring the application, photograph and other documents required by your county assessor to the county assessor’s office.

Ending Enrollment
When the property no longer qualifies for Rural Preserve, the property owner must pay back deferred taxes for the year of termination plus the two prior years. The deferred taxes are a lien against the property.

All deferred special assessments, plus interest, must also be paid back. The total due will be payable in equal installments, spread over the time remaining until the last maturity date of the bonds issued to finance the improvement for which the special assessments were levied.

SUSTAINABLE FOREST INCENTIVE ACT
The Sustainable Forest Incentive Act (SFIA), provides an annual payment of $7 per enrolled acre from the Minnesota Department of Revenue (MN DOR). This is provided as an incentive to practice long-term sustainable forest management. The payment is taxable income to the landowner. Taxable income from a forestry operation may help show a business interest for income tax purposes. Please refer to www.timbertax.org for more information about income tax considerations. See also www.revenue.state.mn.us Sustainable Forest Incentive Act (Fact Sheet 9).

Qualifications
To enroll:
• You must own 20 or more contiguous acres of land in Minnesota, of which at least 50 percent is forested.
  o Forest land must be at least 10 percent stocked by trees of any size and capable of producing timber, or of exerting an influence on the climate or on the water regime; or land from which the trees have been removed to less than 10 percent stocking which will be afforested.
  o There is no maximum acreage. Beginning in 2011, tax calculations are fixed at $7.00 per acre per year not to exceed a maximum payment of $100,000 per year to any one tax payer, or business entity.
  o Ownings greater than 1,920 acres must allow year-round, non-motorized public access to fish and wildlife resources, except in areas within one-fourth mile of a permanent dwelling or during periods of high fire danger as determined by the Minnesota Department of Natural Resources (MN DNR). Landowners required to allow access do not incur liability for any injury to the person or property caused by an act or omission of the person using the property.
- You may not enroll residential land or land used for agricultural purposes (e.g., pasture, hayfields and cropland), nor land with pavement, sewer, roads, campsites, and other improvements not required for forest management activities. Camping is allowed on SFIA enrolled land, so long as it does not alter management of the surrounding area.

- A building or structure used exclusively for management activities may be included. An example is a shed or building that only stores equipment used during management activities. If the building is used as a temporary or permanent dwelling or is used to store items not regularly used for management purposes, three acres of land around it must be excluded from the enrolled acres.

- Any portion of a parcel of land that has buildings, roads or improvements that are not necessary for sustainable forest management may not be enrolled in SFIA. The minimum reduction in potential enrolled acres for buildings is three acres. To be eligible for SFIA 20 contiguous forested acres are required to be enrolled. Multiple blocks of 20 contiguous acres are permitted to be enrolled.

- Open water, including a river, that is less than three acres in size can be included as part of the forested land. Larger areas must be excluded. Marshes and other wetlands not capable of growing trees, but due to their existence have a significant impact on forested land, are eligible for SFIA. This also includes land that may have been an agricultural field in the past, but has recently been reforested.

- An owner may be a private individual, corporation or partnership. Both residents and nonresidents of Minnesota are eligible. There can be only one claimant per parcel of land. If a parcel has multiple owners, the owners must decide which one will receive the incentive payment.

- No delinquent property taxes can be owed on the land before enrolling, and taxes must be paid on-time while enrolled in the program.

- The land must have a current forest management plan or stewardship plan prepared by a plan writer approved by the MN DNR. A current plan is one that has been prepared within the past ten years.

- The land may not be enrolled in Reinvest in Minnesota (RIM), Conservation Reserve Enhancement Program (CREP), Conservation Reserve Program (CRP), Green Acres, or 2c Managed Forest Land.

- You agree to be enrolled in the program for a minimum of eight years. To withdraw, a request must be made to the Commissioner of Revenue. You may apply for withdrawal after being in SFIA for a minimum of four years. There is a waiting period of four additional years after applying to withdraw. You may sell acres or the entire parcel at any time during your
enrollment. The new owner is bound by the covenant.

**Enrollment Procedures**

1. Record a covenant with the county recorder's office (or registrar for registered land) in the county where your land is located. The covenant requires you to maintain your land as forest, to follow your forest management plan, and to abide by the Minnesota Forest Management Guidelines. A copy of the covenant may be found on the Department of Revenue website. The Forest Management Guidelines may be found at [http://www.frc.state.mn.us/FMgdline/Guidelines.html](http://www.frc.state.mn.us/FMgdline/Guidelines.html). One covenant can cover all parcels in a county that you wish to enroll even if the parcels are not contiguous. To enroll land in more than one county, record a covenant in each county where your land is located. Before you complete the covenant, exclude any area you might develop in the future. Once recorded, the county will place a covenant recording number on the front page of your covenant. Allow the county recorder two to three months to process your request.

2. Complete MN DOR Form TH1, Sustainable Forest Incentive Act Enrollment Application. Applications are available at the MN DOR Website and from many MN DNR forestry offices. Your Social Security number is required by M.S. 290C.04 to properly identify you and determine if you qualify to receive an incentive payment. Your Social Security number is private information and cannot be disclosed to others without your consent. Your federal identification number and date of birth are also private, but can be disclosed to county assessors for tax administration purposes and to county treasurers for purposes of revenue recapture. All other information is public. If you fail to provide all requested information, except your phone number, your application will be delayed or denied. Providing a daytime phone number will save time if questions arise. Both you and your approved plan writer must sign the application form. If the land is owned by a business entity or group, an authorized representative of the entity or group must sign.

Attach the following to your application:

- A copy of the recorded covenant(s).
- Exhibit A - Legal description of real property, or certificate of title number for real property for each parcel you wish to enroll.
- Exhibit B - A copy of the Forest Management Plan map or eligible acres map that clearly shows which acres are being enrolled and any excluded acres (or an aerial photo or map of the vegetation and other natural features of the land clearly indicating the boundaries of the land and of the forest land) for each parcel you wish to enroll. If you enroll only a portion of the eligible acres and later want to enroll the remaining acres, your county must assign a new parcel identification number (PID) to the remaining acres. You cannot enroll additional acres using the same covenant and PID number for a parcel that is already enrolled.
- The forest management plan must include the landowner's goals for the property, parcel identification number (PID), legal description, inventory of
forest cover types, map of the vegetation and boundaries, proposed future conditions, calendar of management activities, and other information pertinent to management of the forest. All management activities prescribed in the plan must meet the recommended timber harvesting and forest management guidelines created by the Minnesota Forest Resources Council. The MN DNR will work with the claimant and the plan writer to determine what is acceptable. A complete copy of the plan must be made available to the MN DNR upon request, but you usually are not required to submit the whole plan with your application.

- A copy of the property tax statement for each qualifying parcel.

Keep a copy of your application and all attachments for your records. You will need to refer to the parcel information in future years when you complete and sign your annual certification letter. The MN DOR will not be able to provide you with a copy.

Your application and all required attachments must be postmarked no later than September 30 to receive an incentive payment the following year.

3. The MN DOR will send an approval or a denial letter within 90 days after receiving your application. If your application is denied, you can appeal. The MN DOR will send the landowner a document within 90 days of denial releasing the land from the covenant.

4. If your application is approved, the MN DOR will send a certification letter to each enrolled participant, by July 1 every year asking you to:
   - Sign the letter, attesting that requirements and conditions for continued enrollment in the program are currently being met. (To remain eligible for payment, you must follow the calendar of management activities in your management plan to a reasonable degree.)
   - Report any changes to the parcel information.
   - Return the signed certification by August 15 of that same year.

**Incentive Payment**

If you properly complete and return the certification by August 15 each year, you will receive your annual incentive payment in October of the same year.

Beginning in 2011, tax calculations are fixed at $7.00 per acre per year not to exceed a maximum payment of $100,000 per year to any one tax payer, or business entity. *This payment is taxable income.*

If you owe delinquent taxes on property not enrolled in SFIA or if you owe criminal fines or a debt to a state or county agency, district court, qualifying hospital or public library, state law may require the MN DOR to apply your incentive payment to the amount you owe (including penalty and interest on the taxes). Your Social Security number may be used to identify you as the correct debtor. If your debt is less than your incentive payment, you will receive the difference.

If you owe delinquent taxes on any enrolled land, your land will be immediately removed from the program. The MN DOR will notify you of the removal and you will have 60 days from the notice date in which to pay the delinquent taxes. If you pay the delinquent taxes within the 60-day period, your lands will be reinstated without penalty. Lands terminated from the SFIA program due to delinquent property taxes are not entitled to any payments and are subject to removal.
penalties. The covenant will remain on the land until you apply for a release and then wait four years.

**Violating the Covenant**

Minnesota Statutes, section 290C.11(a) provides that if the Commissioner of Revenue determines that land enrolled in SFIA violates conditions for enrollment, the Commissioner shall notify the claimant of an intent to remove all enrolled land from the SFIA Program. Upon notification, the claimant has 60 days to appeal the determination. If the Commissioner denies the appeal, the claimant may appeal to tax court.

Landowners must abide by the forest management guidelines created by the Minnesota Forest Resources Council. A MN DOR ruling states that in determining whether land enrolled in SFIA violates the Guidelines, the Commissioner (MN DOR) shall consider:

- The cause of the violation.
- The extent of the violation (area of damage).
- Whether the claimant has substantially complied with the forest management plan.
- Whether the claimant has substantially complied with the Guidelines regarding timber harvest and forest management activities.
- Whether the claimant took measures to avoid the violation.
- If the claimant has violated one or more of the Guidelines concerning harvest practices, whether the claimant has attempted to mitigate the violation.
- Whether the claimant has taken measures to avoid future violations.
- Whether there has been a pattern of violations by the claimant related to any land enrolled in the SFIA Program.

If you violate the covenant by developing or constructing buildings on part or all of your enrolled land, all of your land will be removed from the program and you will be assessed a penalty. The penalty is the total payments you received on all of your SFIA land—not just the part in violation—for the previous four years, plus interest. The SFIA covenant remains on the land. To remove the covenant, you must apply to the MN DOR. There is a four year waiting period before lands will be removed from the program.

**Procedures to End the Covenant**

All enrolled land must remain in the program for a minimum of eight years. You may choose to cancel enrollment from the program after four years by filing a written request with the MN DOR. Once filed, the cancellation will take effect January 1 of the fifth calendar year that begins after the Commissioner of the MN DOR receives your termination notice. You will continue to receive incentive payments during the four-year waiting period. You cannot remove just a portion of a parcel. The whole parcel must be removed. Once you withdraw, the land cannot be re-enrolled in the program for at least three years.

**Acquiring Enrolled Land**

If you buy land enrolled in the SFIA program and want to receive annual incentive payments, you must complete and submit an application Form TH1. If you do not apply for payments, your land remains in the program and you must continue to use the land for forestry purposes until the land is withdrawn from the program.

If you buy enrolled lands and want to be removed from the program, contact the MN DOR regarding withdrawal procedures. If you wish to receive payments during the four
year waiting period you must complete and submit a SFIA application Form TH1.

If you are buying or recently purchased land enrolled in SFIA, you and the seller must determine who will claim payment for the upcoming year. The Commissioner of the MN DOR must be notified in writing as to which person is eligible to claim the payment.

If a landowner dies, the estate’s personal representative has up to one year to notify the MN DOR to either:

- Terminate without penalty—if you choose to terminate, the MN DOR will issue a document releasing the land from the covenant, or
- Continue enrollment in the SFIA program by submitting a letter of explanation with a new application, Form TH1. If the new application is approved, the land is enrolled in the program without a break. If you do not notify the MN DOR within one year, enrollment will terminate automatically without penalty.

**CLASS 2c MANAGED FOREST LAND CLASSIFICATION**

In 2008 the Minnesota Legislature created the Class 2c Managed Forest Land [Chapter 366 (House File 3149)]. Forestland that qualifies may receive a classification rate of 0.65%. See [www.revenue.state.mn.us](http://www.revenue.state.mn.us) Class 2c Managed Forest Land (Fact Sheet 12).

**Qualifications**

To qualify, the parcel must:

- Be at least 20 acres of forest land based on the sum of all forest land covered under the same forest management plan located on contiguous parcels. Wooded acres may or may not be contiguous, but parcels on which they are located must be contiguous.
- The total enrolled acreage is limited to 1,920 acres statewide per taxpayer.
- Be un-platted property that is rural in character.
- Not be used for agricultural purposes.
- Not be improved with a structure. A minor ancillary nonresidential structure does not disqualify the property (e.g., sheds or other primitive structures, the aggregate size of which are less than 300 square feet that add minimal value and are not used residually; provided that the occasional overnight use for hunting or other outdoor activities shall not preclude a structure from being considered a minor, ancillary structure.) If any structure or group of structures totals 300 or more square feet, or if any structure is used residually on more than an occasional basis, or if there is an improved building site that provides water, sewer or electrical hook-ups for residential purposes, the property must be split classed according to the property's current uses. At least 10 acres must be assigned to, and centered on, the structure. If a property must be split-classified and the resulting forest land is less than 20 acres, the property is not eligible for Class 2c.
- Open water, including rivers, that are less than three acres can be included as part of the forested land. Larger areas must be excluded. Marshes and other wetlands may be eligible for Class 2c.
- Have a Forest Management Plan that was developed by a MN DNR approved
forest management plan writer within the last ten years. The Forest Management Plan must meet the same requirements of Forest Management Plans prescribed for property enrolled in the SFIA program (Chapter 290C). The MN DNR annually will send county assessors a list of property owners who have a registered Forest Management Plan in each county. To continue to qualify for Class 2c, a property owner’s name must be listed on the MN DNR’s annual list of registered Forest Management Plans. It is the landowner's responsibility to register their plan with the MN DNR.

- Not be enrolled in the SFIA program, CRP, CREP, RIM, or the Green Acres program.
- The MN DOR will provide counties with a list of parcels enrolled in the SFIA program so assessors can verify that any parcels in Class 2c are not enrolled in the SFIA program.

If a parcel containing forest land has more than one use, land covered under a Forest Management Plan should be split-classified as 2c (if an application has been made) and the remaining land should be classified according to its use. For example: a 360-acre parcel containing 60 acres of seasonal residential recreational and 300 acres of forest covered by a Forest Management Plan should be split-classified: 60 acres as seasonal residential recreational and 300 acres as Class 2c.

Application Procedures
Complete application form CR-2cMFL and provide it to the county assessor to verify that the property qualifies for Class 2c. This form is available from your county assessor or the MN DOR Website: http://www.taxes.state.mn.us/taxes/property/forms.shtml. Applications will be accepted at your local county assessor's office through May 1 each year.

Attach your forest management plan to the application. You must follow the guidelines prescribed by the Forest Management Plan if you wish to continue receiving the reduced class rate. Forest Management Plans approved by the MN DNR will eventually list the number of acres eligible for Class 2c; however, in the near term the assessor is responsible for removing 10 acres for any structure or use that does not qualify as a minor ancillary nonresidential structure.

AFTER-TAX COMPARISON OF SFIA AND CLASS 2C

Determining whether SFIA or Class 2c provides you with the greatest economic benefit requires a discussion with your county assessor. The county assessor will know how enrollment in these programs might affect your taxes on the land you plan to enroll and on land that you will not be enrolling. The following is an example that assumes no change in credits or special assessments between classifications. Your situation may be different, discuss your proposed changes with your county assessor.

Assume 80 acres of land with:
- 67 acres forest
- 12 acres open water lake
- 1 acre developed site with 400 square foot cabin
- Property taxes $14 per acre under Class 4c(1) Seasonal residential recreational, non-commercial with a 1.00% Class Rate
- No other additions or subtractions to taxes payable.

Options:
• Enroll in SFIA, pay $14 per acre property tax, and get a $7.00/acre incentive payment.

• Enroll in Class 2c. A 0.65% Class Rate may reduce your property taxes to an estimated $9.10 per acre. Always consult with the county assessor about how enrolling in 2C will affect your taxes. A 0.65% class rate is not a 35% reduction in taxes.

Under SFIA: Land eligible for SFIA includes 67 acres of forest and 3 acres of open water lake, but you must exclude 9 acres of lake and 3 acres around the cabin, leaving 68 acres qualified for SFIA and 12 acres remaining in Class 4c(1). The total property tax due on these 80 acres is:

$14 tax/acre x 80 acres = $1,120. The total SFIA incentive payment is: $7.00 payment/acre x 68 acres = $576.00. The net out-of-pocket cost for property taxes is $1,120 - $576.00 = $544.00. The property tax payment of $1,120 may be deducted as an itemized expense on federal income taxes. The SFIA payment of $476.00 is taxable income.

Under Class 2c: Land eligible for Class 2c includes 67 acres of forest and 3 acres of open water lake. You must exclude 9 acres of lake and 10 acres around the cabin, leaving 61 acres eligible for Class 2c and 19 acres remaining in Class 4c(1). Total property tax due on these 80 acres is: ($9.10 tax/acre x 61 acres) + ($14/acre x 19 acres) = $555.10 + $266.00 = $821.10. The $821.10 property tax payment may be deducted as an itemized expense on federal income taxes.

After-Tax Analysis: Your total out-of-pocket cost for property taxes before considering income tax consequences is $644.00 under SFIA and under Class 2c it is $821.10. You appear to save $177.00 by enrolling in SFIA. Now you need to evaluate income tax consequences. To calculate income tax effects on a property tax payment, deduct from your property tax payment a percentage of that payment according to your marginal income tax rate (10% to 35%). For example, if your property tax payment is $1,120 and your marginal income tax rate is 10%, the income tax deduction reduces that property tax cost by 10% or $112 to $1,008. Keep in mind that an income tax payment is a cost to you while an income tax deduction is a cost saving to you.

To calculate income tax effects under SFIA:
1) Multiply your property tax payment by your marginal tax rate: $1,120 x .10 = $112. Deduct this $112 cost saving from your property tax payment: $1,120 - $112 = $1,008. This is your out-of-pocket cost of property taxes.
2) Multiply your SFIA payment by your marginal tax rate: $576.00 x .10 = $57.60. Deduct this $57.60 from your SFIA payment: $594.32 - $57.60 = $536.72. This is an addition to income.
3) Your SFIA payment reduces your cost of property taxes, so subtract your after-tax SFIA payment from your after-tax property tax payment: $1,008 - $536.72 = $471.28. This is your after-tax cost under SFIA.

To calculate income tax effects under Class 2c:
1) Multiply your property tax payments by your marginal tax rate: $821.10 x .10 = $82.11 and deduct that amount from your property tax payment: $821.10 - $82.11 = $738.99. This is your after-tax cost under Class 2c.

Compare after-tax costs: The $738.99 after-tax cost under Class 2c exceeds the $461.28 after-tax cost under SFIA so you save $277.71 by enrolling in SFIA. In this example, SFIA was the better choice before and after income-tax effects were calculated. You should not assume this conclusion will always be true. Where
property taxes are very high, Class 2c may yield the lower out-of-pocket cost.

Always talk to the county assessor before requesting a change in property tax classifications to learn how such a change would affect any other assessments, credits, or redistribution of taxes among tax payers.
| **Quick Comparison of Rural Preserve, SFIA, and Class 2c** |  |
|---|---|---|
| **Rural Preserve** | **SFIA** | **Class 2c** |
| No minimum: land must be contiguous to land owned by the same owner that is enrolled in Green Acres | 20 contiguous acres | 20 acres in contiguous parcels |
| No maximum acres enrolled | No maximum acres enrolled | 1,920 acre maximum enrolled |
| Public access not required | Public access required if > 1,920 acres enrolled | Public access not required |
| No buildings | Exclude 3 acres minimum for building | Exclude 10 acres minimum for building or other development |
| Tax assessed on lower of Rural Preserve Value or Estimated Market Value. 0.5% class rate | Class rate varies from 0.50% to 1.25% depending on class and property’s value. Pay usual property tax, but get $7/acre/year incentive payment | 0.65% property tax class rate |
| No Covenant required | Covenant required 8 year minimum enrollment 4 years to end agreement | No covenant required 1 year minimum enrollment |
| Property tax qualifies for itemized deduction on federal income tax return | Property tax qualifies for itemized deduction on federal income tax return, but SFIA payment is taxable income | Property tax qualifies for itemized deduction on federal income tax return |
| No plan required. Aerial photo with property lines delineated is needed for application | Forest Management Plan required | Forest Management Plan required |
| Application to the county assessor. | Application to the Minnesota Department of Revenue | Application to the County Assessor |
HOW TO GET FOREST MANAGEMENT ASSISTANCE

Request assistance now to insure that you have your plan completed before the tax program application deadline. The demand for assistance to write Forest Management Plans will build as more landowners decide to enroll in the SFIA, or Class 2c programs.

Forest Management Plans required for SFIA and Class 2c are available to landowners through the MN DNR Private Forest Management (PFM) partners (e.g., private forestry consultant or selected Soil and Water Conservation Districts). For a list of approved plan writers, go to this Website: http://www.myminnesotawoods.umn.edu/minnesota-stewardship-plan-preparers/ or contact a MN DNR forester for a list of approved plan preparers. Many approved plan preparers are members of the Minnesota Association of Consulting Foresters. A list of MACF members can be found at http://web.paulbunyan.net/norfor/Members.htm. Be sure the forester has been approved by the MN DNR to write a Forest Management Plan or Stewardship Plan. Consulting foresters charge a fee plan writing.

All of the programs listed in this publication require plans that are less than 10 years old. Revise your forest management plan before it exceeds 10 years of age; you add or subtract significant forest acreage; your goals change; or changes occur to the land through timber sales, land management projects, fire, or pests. A site visit by a forester may be required.
ACKNOWLEDGMENTS

Produced by University of Minnesota Extension in collaboration with:

University of Minnesota
  • Department of Forest Resources
  • Experiment in Rural Cooperation
  • Northeast Minnesota Sustainable Development Partnership

Minnesota Department of Natural Resources

Minnesota Department of Revenue

Minnesota Forestry Association

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