

FOREST STEWARDSHIP BRIEFINGS

Timber ◇ Wildlife ◇ Water ◇ Soil ◇ Best Management Practices ◇ Forest Health ◇ Recreation ◇ Aesthetics

TAX DEDUCTION FOR TREE LOSS

from USDA Forest Service
article written by Linda
Wang and dated October
2017

For more information:

- <https://timbertax.org/taxpolicy/Tax-Deduction-USFS2.pdf>
- <https://timbertax.org>
- <https://www.fs.fed.us/spf/coop/programs/loa/tax.shtml>

Timber or landscape trees destroyed by hurricane, fire, earthquake, ice, hail, tornado, or other storms are “casualty losses” that may allow the property owners to take a deduction on their federal income tax returns. The key is to figure out the “adjusted basis” of the timber.

Generally, the cost or the measure of your investment in the property you own is the property’s “basis.” The original basis is defined as follows:

- 1) for purchased timber property, it is the purchase price and related costs (such as legal fees and timber cruises);
- 2) for gifted timber property, it is the donor’s adjusted basis in most cases;
- 3) for inherited timber property, it is the fair market value (or alternative value if so elected) on the date of death (or alternative valuation date).

The “adjusted basis” of a property is the original basis reduced or added by adjustments over the term of ownership. Calculating the amount of loss for tax deduction may require a competent appraisal.

If you have not determined your timber basis at the time of acquisition, you may use the current timber volume, timber growth over the years, and the timber value at the time of acquisition to retroactively establish it. Establishing timber basis often takes time and forestry expertise plus the tax knowledge.

Tax deduction rules for casualty loss of timber held for personal use differs from rules for loss of timber held mainly for business or investment purposes, so read the rules carefully. A personal-use timber property is defined as one that is held pri-

marily for personal enjoyment (vs. income production from the timber).

Note: For taxpayers impacted by Hurricane Harvey, Irma, or Maria, Congress passed a special tax law on Sept. 29, 2017, to provide tax relief. The 10% Adjusted Growth Income (AGI) reduction and the “itemized deduction” requirements for personal casualty loss are eliminated.

Special Rules for Landscape Trees Casualty: Generally, casualty loss of trees on a private residence is measured based on the entire property; that is, the land, the improvement (house), and trees. In other words, the measure of the casualty loss is based on the tree loss that contributes to the overall decrease in the fair market value of the entire property immediately before and after the casualty. Refer to the personal-use property casualty loss rules, which also apply in calculating the deductions from the loss of landscape trees and/or residence.

It is important that you have records to support your casualty loss deduction, but do not attach them to your return. Document information about the casualty (time, nature of the event, and the area affected). Carefully prepare the appraisals from the hired services by professional foresters and/or appraisers.

Overall, the tax laws provide a deduction for the loss of timber and landscape trees caused by casualty. Because of the complicated restrictions on the casualty loss calculation, if the timber basis is low or zero, there may be little or no deductions in the end. So it makes sense to weigh the cost of appraisal against the potential tax savings.

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SOUTH TEXAS NATIVES PROGRAM

from Caesar Kleberg Wildlife Research Institute website

For more information:

- <https://www.ckwri.tamuk.edu/research-programs/south-texas-natives>
- <https://www.ckwri.tamuk.edu/research-programs/texas-native-seeds>

The mission of the South Texas Natives program is to develop and promote native plants for restoration and reclamation of habitats on private and public lands, focusing on development of locally adapted native plant seed for South Texas habitat.

This program was developed in response to the increased construction of highways and pipelines, increased oil and gas activity, and the increased awareness of native plants as a vital component of wildlife habitat. The objectives are to:

- collect, evaluate, and release seed of important South Texas native plants to commercial seed producers;
- develop and implement strategies to reestablish native plants and minimize the influence of introduced plants upon native habitats;
- disseminate information about the intrinsic and ecological value of native plants; and
- promote the use of native plants in rangeland restoration, right-of-way plantings, oil and gas exploration remediation, and horticultural plantings.

Recent interest in the restoration of native habitats on both private and public lands has increased the demand for commercially viable native seed sources. Texas Native Seeds (TNS) is a research and development program, augmenting and providing products to the commercial seed in-

dustry. TNS works to develop native seeds that can be produced commercially in volumes needed by restoration professionals in order to have ecosystem level impacts on native plant and wildlife conservation.

Highways, oil and gas production, wind farms, transmission lines, urbanization - all signs of progress for Texas - are also the sources of decline for native plant communities in Texas. From desert grasslands of West Texas to Blackland prairies of Central Texas to brushlands of South Texas, native habitat disturbance is on the rise. Invasive exotic species such as buffelgrass and guinea grass in South Texas and Old World bluestems and bermudagrass throughout the rest of the state are invading disturbed areas of native habitat and choking out native plant communities.

Land management goals have undergone a dramatic shift in the last two decades, from a livestock production based economy on rangelands, to an economy based on recreation, conservation, and multiple uses. Today's land management goals are complimented by native plants, and thus, the need for cost-effective, commercially available native seed sources, providing large quantities to meet our state's needs. Texas Natives Seeds is a collaborative project, with leadership and commitments from a variety of state and federal agencies, private ranches, academic institutions, and other natural resource organizations.

THERE'S AN APP FOR THAT - MY LAND MANAGEMENT CONNECTOR

from Texas A&M Forest Service

For more information:

- <http://texasforestinfo.tamu.edu>

A new application called "My Land Management Connector" has been added to the Texas Forest Information Portal. "My Land Management Connector" is an application that connects landowners and land management service providers.

Landowners can find land management service providers in their area and check their credentials. Landowners can also send service requests to land management service providers by entering their land

management service needs into the mapping application.

Service providers can list their company and the land management services they provide in a specified area. They can view land management services that need to be completed in their service area through the mapping application. Through the application, service providers can send a request to landowners to provide the land management services they need.

FARM BILL AND VETERANS

Veterans of the U.S. Armed Services receive preference for NRCS conservation programs offered in the 2014 Farm Bill. These voluntary conservation programs benefit both agricultural producers and the environment, and include financial and technical assistance as well as easements.

Benefits - Preference will be given to eligible Veteran Farmers or Ranchers applying for several types of conservation financial assistance through the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP).

EQIP provides financial and technical assistance to agricultural producers in order to address natural resource concerns and deliver environmental benefits. These include improved water and air quality, conserved surface and ground water, reduced soil erosion and sedimentation, and improved or created wildlife habitat.

CSP helps agricultural producers maintain and improve their existing conservation systems and adopt additional conservation activities to address priority resources concerns. Participants earn CSP payments for conservation performance - the higher the performance, the higher the payment.

Eligibility - An eligible Veteran Farmer or Rancher:

- meets the definition of a Beginning Farmer or Rancher;
- has not operated a farm or ranch; or hasn't operated a farm or ranch for more than 10 consecutive years; and
- was discharged or released, under conditions other than dishonorable, from the United States Army, Navy, Air Force, Marines, Coast Guard, its reserve components, and the National Guard.

For a legal entity or joint operation to be considered a Veteran Farmer or Rancher entity, all members must meet the above definition. Veteran Farmers or Ranchers may also qualify as a Socially Disadvantaged Farmer or Rancher by meeting additional criteria.

To apply, visit your local USDA Service Center to apply or visit www.nrcs.usda.gov/getstarted.

To learn more about assistance for veterans provided by other USDA agencies, visit: www.usda.gov or www.outreach.usda.gov/veterans.htm.

from USDA NRCS website

For more information:

- <https://goo.gl/G3KFhv>
- <https://www.nrcs.usda.gov/getstarted>
- <https://www.outreach.usda.gov/veterans.htm>

LIP PARTNERS WATERSHED FUNDING SERIES

Texas Parks and Wildlife's Landowner Incentive Program (LIP) Partners Watershed Funding Series is designed to meet the needs of private, non-federal landowners wishing to enact good conservation practices on their lands. This allocation of LIP funding is made possible through a cooperative agreement with the USFWS Partners for Fish and Wildlife program. Projects supported by this funding series are managed jointly by TPWD and USFWS biologists.

The goal of this funding series is to establish, restore, and/or enhance habitat for state and federal trust fish, wildlife, and plant species on privately owned lands (non-state and non-federal).

Pre-proposal submission deadline: **February 15, 2018**. Selected pre-proposals will then be required to submit a full proposal (template will be provided). Exceptional projects will be funded on a rolling basis, so don't wait for a submission deadline to submit.

Highest priority will be on projects within identified priority watersheds that are expected to directly benefit Endangered Species Act (ESA)-listed species and their habitats. High priority is also given to projects that are expected to directly benefit ESA-listed species and their habitats, but not located in a priority watershed. Regardless of location, good projects are encouraged to apply.

from Texas Parks and Wildlife Department website

For more information:

- <https://tpwd.texas.gov/landwater/land/private/lip>

Distribution of this newsletter is provided free of charge to professional foresters, state and federal agency professionals, county judges and commissioners, state senators and representatives, various forestry-related associations, and others.

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FIREWISE PLANT GUIDE

Thanks to the work of Texas A&M Forest Service (TFS), the online Earth-Kind® Plant Selector now has Firewise ratings for anyone looking to select fire-resistant landscaping plants.

TFS Wildland Urban Interface Specialists Mylea Lovell and Jake Gosschalk have been working for over a year to develop a Firewise plant guide. The guide was used to add to the Firewise rating index on the Earth-Kind website.

“The rating goes from one to ten, with one being the lowest Firewise rating,” said Lovell. “Teaming up with Earth-Kind allows us to get this information out to the largest audience.”

The guide is designed to educate homeowners about their landscaping plant choices and help them choose the right plant for the right place.

To view the online Earth-Kind Plant Selector with the Firewise index rating visit <http://ekps.tamu.edu/>.



Earth-Kind®
Landscaping



Earth-Kind® Plant Selector



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