

# FORESTRY FACTS



**UW**  
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COLLEGE OF  
AGRICULTURAL  
& LIFE SCIENCES  
UNIVERSITY OF WISCONSIN-MADISON

Department of Forest Ecology and Management • School of Natural Resources

No. 100

January 2005

## **The Managed Forest Law: Filling Out a Cutting Notice**

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### **Why is There a Cutting Notice?**

The owners of land enrolled in the Managed Forest Law (MFL) program are required to follow a management plan. In addition to following a management plan, participants in the MFL program enjoy reduced property taxes but are required to pay a 5% MFL yield tax on any pulpwood, sawlogs, posts, poles, Christmas trees and firewood (except for personal use firewood or Christmas trees) that are cut whether utilized or not. The cutting notice and report form is used to track forest products harvested from MFL lands and to ensure that harvests taking place on MFL lands conform to the management plan.

### **Who Must File a Cutting Notice?**

All landowners with land enrolled in the MFL program, must file a cutting notice form **at least 30 days** prior to initiating a harvest; DNR service foresters have the form. The form must be filed with the DNR in the county in which the land is located. The 30 days is intended to give the DNR forester time to review the proposed harvest and make a determination on approval. It is not a waiting period. DNR approval is required prior to cutting. If the proposed cutting conforms to the

landowner's management plan, the DNR forester must approve the cutting notice. If the proposed cutting does not conform to the management plan, an acceptable proposal must be developed before cutting can start. It is the responsibility of the landowner or their agent to develop an acceptable harvest proposal in conjunction with the DNR forester.

Information That Should be Provided on the Cutting Notice:

- ❖ Legal description of the proposed cutting area (e.g., SWNW, Section 3, T38N-R17E).
- ❖ The order number for the MFL management agreement
- ❖ Estimated volume to be harvested by species and products, including logs, cords, posts, poles, and Christmas trees.
- ❖ Description of proposed cutting practices (e.g., selected removal of poor quality, low vigor, and diseased trees).
- ❖ The name and telephone number of your consulting forester or logger if one has been retained.

- ❖ Whether cutting is associated with catastrophic loss (i.e., severe losses caused by fire mortality, ice, snow, insects, disease, wind, or flooding).
- ❖ Landowner's signature or a consultant managing the harvest. If the latter is the case, proof of authority (e.g., landowner-forester contract) as an agent of the landowner must be provided.

### **What is a Cutting Report?**

Within 30 days after cutting is complete, a cutting report must be filed with the DNR on the original cutting notice. If harvesting operations take more than one year, it is in the best interest of the landowner to complete the report on the portion of the sale that is finished and submit an additional notice on the area yet to be completed. Reporting harvest volumes annually will insure that the correct year's yield tax rates are applied to forest products.

#### **Some Things to Keep in Mind:**

- ❖ Information on the cutting report is actual volumes cut by species, product, and description.
- ❖ If no cutting was done, indicate "No Cut."
- ❖ Saw timber volume is recorded by species in board feet. Pulpwood is reported by species in whole cords.

- ❖ Part "B" of the form requires the signature of either the landowner or a consultant managing the harvest. If the latter is the case, proof of authority (e.g., landowner-forester contract) as an agent of the landowner must be provided.
- ❖ Include any remarks that would help the forester understand why volumes are significantly different from estimates, or whether the sale is complete or incomplete.

### **Yield Tax**

A change in the Managed Forest Law in 2004 makes new MFL entries exempt from paying yield tax on harvested forest products for the first 5 years after the land is enrolled. After those 5 years are over and for all owners in the MFL program before 2005, a 5% tax on the harvested forest products will be calculated and a bill will be mailed to the owner. The yield tax is not based on the price received for the timber, but on regional average values calculated annually by the DNR. These values may be more or less than the actual values paid to the landowner. Firewood cut for the owner's personal use is exempt. MFL participants may not cut merchantable timber on MFL lands with delinquent property taxes (acreage share or closed land payments) or if there is unpaid yield/severance tax from previous cuttings.