

# Timber Tax (Yield Tax)

## Forest Conservation and Taxation ([RSA 79](#))

The State of New Hampshire has a real estate tax and by definition timber is considered to be real estate, therefore taxable. However, the method in which it is taxed is different from other real estate and is described in the State Constitution. Timber is only taxed at the time it is cut and at a rate, which encourages the growing of timber. In order for the municipal assessing officials to be aware of cutting operations they must be notified of the cutting by the owner filing a notice of intent to cut timber. [The Notice of Intent](#), which is required by law, notifies the assessing officials, NH Department of Revenue (DRA) and the NH Div of Forest & Lands.

**Timber on all land ownerships is taxable at 10% of the stumpage value at the time of cutting.**

**The only [exemptions](#) are as follows:** 1. 10 MBF saw logs and 20 cords fuel wood for personal use by the owner. (RSA 79:1 II(b) 1&2) 2. 10 MBF saw logs and 20 cords of wood for land conversion purposes when all permits for the conversion have been received.(RSA 79:1 II (b) 5) 3. Shade and ornamental trees, usually considered to be trees within striking distance of a building. (RSA 79:2) 4. Christmas trees, fruit trees, and nursery stock and short rotation tree fiber. (RSA 79:2) 5. Any amount of firewood for maple syrup production. (RSA 79:1 II (b) 2) 6. Government and utilities not selling the wood.(RSA 79:1 II (b) 3 & 4) (Items 1-6, No Intent required and Timber not taxable)

**Intent to Cut Forms ([PA-7](#)) must be obtained at your Town Office or from the State of New Hampshire Department of Revenue Administration.**

**Supporting Documents**

[Intent to Cut Synopsis](#)

**Web Links**

[Timber Information](#)