



# OHIO'S FOREST PROPERTY TAX LAWS

## Ohio Division of Forestry

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The State of Ohio offers landowners two options for the reduction of property taxes on their forestland. The **Current Agricultural Use Value (CAUV)** program (Ohio Revised Code Sections 5713.30 through 5713.38) provides for reduced property taxes at varying rates based on the productivity of the soil. The **Ohio Forest Tax Law (OFTL)** program (Ohio Revised Code Sections 5713.22 through 5713.26 and Administrative Code Sections 1501:3-10-01 through 3-10-07) provides for a fifty percent reduction in the local tax rate on forestland. Although forestland may qualify under both laws, any given tract can be enrolled in only one program. In exchange for the tax reduction conferred by Ohio's forest property tax laws, landowners agree to manage their forestland for the production of timber and other forest products and to abide by pertinent rules and regulations.

### COMPARISON of CAUV and OFTL

CURRENT AGRICULTURAL USE VALUE (CAUV)	OHIO FOREST TAX LAW (OFTL)
<p><b>Administered by:</b> The County Auditor for the county in which the land is located.</p> <p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>▪ Farms (building sites excepted) must be 10 acres or more and devoted exclusively to commercial agricultural use for the three years prior to the year of application; or if a farm is less than 10 acres, average gross income must be at least \$2,500 per year for three years, or anticipated income must be at least \$2,500 for the year of application.</li> <li>▪ If a tract of forestland is 10 acres or more, it is eligible for CAUV if that forestland is devoted exclusively to the commercial production of timber.</li> <li>▪ If the farm is devoted exclusively to agricultural use, adjacent non-commercial forestland may qualify under certain circumstances.</li> <li>▪ The landowner may be required to manage his or her forestland in accordance with an approved forest management plan.</li> <li>▪ There is a one-time application fee of \$25. The landowner must also complete an annual renewal application with no additional fee.</li> </ul> <p><b>Tax Reduction:</b> Varying reduction based on the soil productivity of the land on which the forest is located.</p> <p><b>Terms of Reduction:</b> If land use changes or if the landowner decides to withdraw his or her land from CAUV, there is a recoupment penalty equal to the tax savings for the preceding three years.</p>	<p><b>Administered by:</b> The Ohio Department of Natural Resources (ODNR), Division of Forestry (DoF).</p> <p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>▪ Forestland must be 10 or more contiguous acres (home sites and other building sites excepted) and not less than 120 feet wide.</li> <li>▪ Property boundary lines and/or forest boundary lines must be clearly marked prior to examination and those markings continuously maintained.</li> <li>▪ Before forestland can be certified, the landowner is required to demonstrate his or her intent to manage that land by completing a prescribed forestry practice.</li> <li>▪ The landowner must manage his or her forestland in accordance with a forest management plan approved by the Chief of the DoF.</li> <li>▪ Every five years, the DoF will inspect certified forestland to ensure compliance with the program and with the forest management plan.</li> <li>▪ During the first five years of certification, the landowner must attend eight hours of forestry education approved by the Chief.</li> <li>▪ There is a one-time application fee of \$50.</li> </ul> <p><b>Tax Reduction:</b> Forestland certified under OFTL is taxed at 50 percent of the local tax rate.</p> <p><b>Terms of Reduction:</b> Certification is continuous unless land use changes, ownership changes, the landowner withdraws his or her forestland from the program, or the landowner is otherwise no longer in compliance. There are no penalties for withdrawal.</p>

## HOW DO YOU DECIDE WHICH PROGRAM IS BEST FOR YOU?

Contact your county auditor’s office for a copy of your current property tax appraisal card. Using the figures on that card, you can estimate savings you will receive under Ohio’s forest property tax laws. Be sure to consider net taxes paid on forestland after accounting for the reduction factor and, when applicable, the ten percent rollback. The auditor’s office can compute CAUV using soil maps furnished by your county Soil and Water Conservation District (SWCD) office. Under OFTL, the local tax rate of forestland is reduced by fifty percent. For estimating savings you may receive, consider the following example:

- Your forestland amounts to 30 acres
- Effective local tax rate: 50 mills after all tax credits are accounted for
- Appraised market value: \$400 per acre
- Tax value: 35% of the appraised market value

### Estimated Property Tax without CAUV or OFTL

<u>Value</u>	<u>Calculation</u>	=	<u>Amount</u>
Total Value	\$400 per acre x 30 acres	=	\$12,000
Tax Value	\$12,000 x 35% (0.35)	=	\$4,200
Property Tax Due	\$4,200 x 50 mills (0.05)	=	\$210

Estimated Property Tax with CAUV			Estimated Property Tax with OFTL		
<i>Value</i>	<i>Calculation</i>	<i>Amount</i>	<i>Value</i>	<i>Calculation</i>	<i>Amount</i>
Total Value*	\$100 per acre x 30 acres =	\$3,000	Total Value	\$400 per acre x 30 acres =	\$12,000
Tax Value	\$3,000 x 35% (0.35) =	\$1,050	Tax Value	\$12,000 x 35% (0.35) =	\$4,200
Property Tax Due	\$1,050 x 50 mills (0.05) =	\$52.50	Property Tax Due	\$4,200 x 25 mills (0.025) =	\$105**

\* Most forestland in Ohio has a CAUV of \$100 per acre. The value may be higher on more productive land.

\*\* Note that the property tax rate in this example is reduced by half with OFTL, from 50 mills to 25 mills.

## HOW TO APPLY

**CAUV:** Apply at your county auditor’s office between the **first Monday in January and the first Monday in March**. For the three-year update or six-year reappraisal, the application period is extended to permit comparisons of CAUV with new appraisal values. The initial application fee for CAUV is \$25. You may be required to have a forest management plan in place at the time of application. Check with your auditor’s office well before the application period to determine requirements for CAUV in your county.

**OFTL:** Obtain a copy of “Application for Classification of Forest Land” (DNR 4471) from the Ohio Division of Forestry (DoF) through your service forester, the DoF central office, or from the DoF website ([www.ohiodnr.gov/forestry](http://www.ohiodnr.gov/forestry)). After completing the form, return it to your service forester along with:

- 1) A copy of your most recent property tax bill, available at your county auditor’s office;
- 2) Three photocopies of aerial photos of your property, available at your county Farm Service Agency (FSA) office, located at the U.S. Department of Agriculture (USDA) Service Center); and
- 3) A tax plat map, available at your county tax map office or county surveyor’s office.

Your service forester will then make arrangements to examine your forestland with you to determine if it qualifies. Once you have met all the requirements for application, your service forester will collect from you a non-refundable fee of \$50 and process your application. If you have questions contact your service forester or:

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