

for more than ten years, however, cannot be collected; and if the land has been classified for more than 25 years no charges are made for withdrawal. Michigan permits withdrawal at any time upon payment of a fee for the period of classification. This fee amounts to 5 cents per acre per year for the first fifteen years, and 10 cents per acre per year for the next ten years. For any period over 25 years the fee is 30 per cent of the stumpage value. Apparently, the theories in Michigan and Ohio are in opposition as to the benefits resulting to the state and the individual from long-term classification.

In Alabama, failure to keep the contract makes the owner guilty of a misdemeanor and liable for the yield tax on the appraised value of his timber.

Annual Taxes

In states where some form of yield tax is in force, the principle of separating the land and the timber crop for purposes of taxation is recognized and the annual land tax is usually nominal. It is customary to stipulate that the timber be disregarded and that only the land be taxed and that this land tax shall not exceed a certain sum per acre or that the valuation on which the tax is assessed shall not exceed a certain sum. This enables the owner to forecast the actual tax cost of carrying his forest during the growing period.

In Michigan the land-growing pine is taxed 5 cents per acre and hardwood land 10 cents per acre each year. Pennsylvania places a valuation of \$1.00 per acre on such land for annual taxation purposes. In Louisiana the valuation is from \$3.00 to \$8.00; Maine, not over \$5.00; Vermont, not over \$3.00.

Within these maximums the valuations of classified forest lands are fixed by the local assessors and the law usually states that the valuation shall be the same as for other barren or unproductive lands. Ordinarily the tax rate is the same for all classes of real estate within a county or township, but occasionally, as in Connecticut, the tax rate for classified forest land is fixed on the valuation of land and timber at the beginning of a fifty-year period, during which it cannot be increased, and the local tax rate is limited to 10 mills. A few states provide special tax reductions on this class of lands. In Ohio the tax is only 50 per cent of the local rate and in New Hampshire as much as 90 per cent of the tax is rebated on certain classes of land.

Taxing the Harvested Crop

Yield taxes and severance taxes are based on the value of the timber when the cutting is made.