

The laws of most states are sufficiently stringent on the subjects of fraudulent returns and neglect of tax payments to give adequate protection; and so as regards yield and severance taxes, the modern tendency is to eliminate as much red tape as possible and to arrange payments with the minimum annoyance to the taxpayer. In Massachusetts and New Hampshire the tax is paid annually; in Maine six months after cutting. Michigan and Pennsylvania collect within 90 days; Mississippi within 60 days. On the other hand, New York, Connecticut and Vermont levy the tax before the timber is removed.

Many states require that the timber be inspected and valued by a representative of the tax collector before it is moved from the ground.

Michigan requires that a bond amounting to twice the estimated tax be deposited before cutting is started.

### **Compensating Local Governments for Loss of Annual Revenue**

The establishment of federal and state forest reserves and the removal of these areas from the general tax list sometimes results in a considerable loss of revenue to the state, county, parish, or township. Naturally this has caused opposition in certain quarters. Similar objections have been raised to the classification of lands for yield tax purposes and the reduction of annual revenues from these lands to nominal amounts.

The objection has been met by turning over to the local government all or a large proportion of the yield taxes collected. In Pennsylvania it is all credited to the town and county road, school and poor funds. In Massachusetts, the state takes one-tenth of the tax and the rest goes to the town. In Michigan the yield tax funds are divided equally between the state and county, and in addition the county receives from the state 5 cents per year for each acre classified. Alabama and Ohio return to the counties one-half of the yield tax receipts.

### **Bounties**

The desirability of trees and forests was recognized first in states having large prairie areas, and it was felt that definite steps must be taken to encourage the production of local timber and fuel supplies and to provide for the protection, shading and beautification of the highways. During the latter part of the past century this encouragement took the form of bounties in a number of the Middle Western