

INTRODUCTION

The forest land classification program under Massachusetts General Laws Chapter 61 is designed to encourage the preservation and enhancement of the Commonwealth's forests. It offers significant local tax benefits to property owners willing to make a long term commitment to forestry. In exchange for these benefits, the city or town in which the land is located is given the right to recover some of the tax benefits afforded the owner when the land is removed from classification and an option to purchase the property should the land be sold or used for non-forestry uses.

QUALIFICATIONS

A property must consist of at least 10 contiguous acres of land under the same ownership and be managed under a 10 year management plan approved and certified by the State Forester in order to qualify for and retain classification as forest land under Chapter 61.

Buildings and other structures located on the property, as well as the land on which they are located and any accessory land, do not qualify for classification and continue to be assessed a regular local property tax.

APPLICATIONS

For property to be classified as forest land under Chapter 61, the property owner must submit a written application to the State Forester before July 1 of the year before the start of the fiscal year

for which taxation as classified land is sought. *(The fiscal year of cities and towns begins July 1 and ends the following June 30.)*

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The application must be made in accordance with all rules and regulations established by the State Forester. The State Forester will certify whether the property qualifies as forest land and is being managed under an approved 10 year forest management plan.

The owner must then submit before September 1 of the same year a written application for classification to the board of assessors of the city or town in which the property is located. The application must include the State Forester's certification and a copy of the approved forest management plan. It must also be accompanied by payment of a products tax equal to 8% of the stumpage value of all forest products cut during the 2 years prior to classification, as determined by the State Forester.

Classification of the property as forest land will be effective as of January 1, and taxation of the property under Chapter 61 will begin the following July 1, which is the start of the next fiscal year. The parcel will remain classified as forest land provided the owner files with the assessors a new certification by the State Forester and an approved forest management plan every 10 years, and the land otherwise continues to qualify under Chapter 61.

The property cannot be classified as forest land if the owner does not comply with all application deadlines and procedures and does not pay the pre-classification products tax.

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LIEN

Once an application is approved, the assessors record a statement at the Registry of Deeds indicating that the property has been classified as forest land under Chapter 61. That statement will constitute a lien on the property for all taxes due under Chapter 61. The owner must pay all fees charged by the Registry for recording or releasing the lien.

APPEALS

If the assessors refuse to classify land certified by the State Forester, the owner may file an appeal with the State Forester. Appeals must be made in writing and must be filed with State Forester, with a copy to the assessors, by December 1. The State Forester must notify the assessors and the owner of his decision by March 1 of the following year. The assessors and the owner may appeal that decision by notifying the State Forester by April 15. The appeal will be heard by a three person regional panel convened by the State

Forester by May 15. The assessors and owner will be notified of the decision within 10 days after the conclusion of the hearing. The panel's decision may be appealed to the Superior Court or the Appellate Tax Board. This appeal must be filed within 45 days of receiving notice of the panel's decision. All notifications under this appeal procedure whether by the owner, assessors, or State Forester, must be by certified mail.

In addition, the State Forester may remove the land from classification if he believes it is not being managed according to the approved management plan or does not otherwise qualify for classification.

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ANNUAL RETURN

The owner must file a return with the assessors each year by May 1 that states the amount of forest products cut from the land during the prior calendar year. The assessors will notify the owner annually by April 1 of this filing obligation and provide a return to complete. A penalty of \$5 is charged for each day the return is overdue.

ANNUAL TAXATION

Under Chapter 61, the owner still pays an annual property tax to the city or town in which the classified land is located. However, the tax is based on the commercial property tax rate for the fiscal year applied to 5% of the fair market value of the land, with a minimum value of \$10 per

acre, rather than its fair market value as would be the case if the land were not classified. The owner must also pay a products tax annually based on 8% of the stumpage value of the forest products cut from the land during the prior calendar year.

The products tax is due on October 1 of each year, or 30 days after the annual tax bill is mailed, whichever is later. The land tax is due in the same number of installments and at the same time as other local property tax payments in the city or town. Interest is charged on any overdue products or land taxes at the same rate applicable to overdue local property taxes.

ABATEMENTS

The owner may contest the annual land or products tax by applying to the assessors for an abatement. Applications for abatement must be made in writing on an approved form and must be filed with the assessors within 60 days of the date the owner is notified of the tax. If the owner disagrees with the assessors' decision, or the assessors do not act on the application, the owner may appeal to the Appellate Tax Board within 30 days of the date the owner was notified of the assessors' decision, or 3 months from the date the abatement application was filed, whichever is later. The assessors cannot grant any abatement if the owner does not comply with all application deadlines and procedures.

MUNICIPAL OPTION TO PURCHASE

The city or town has an option to purchase any classified land whenever the owner plans to sell or convert it to a residential, commercial or industrial use. The owner must notify by certified mail the mayor and city council or the selectmen, assessors, planning board and conservation commission of the city or town of any intention to sell or convert the land for those uses. If the owner plans to sell the land, the city or town has the right to match a bona fide offer to purchase it. If the owner plans to convert it, the city or town has the right to purchase it at its fair market value, which is determined by an impartial appraisal. The city or town may also assign its option to a non-profit, conservation organization. The owner cannot sell or convert the land until at

least 120 days after the mailing of the required notices or until the owner has

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been notified in writing that the option will not be exercised, whichever is earlier.

This option is not available to the city or town and the notice requirement does not apply if the forest land certification is simply discontinued, or the owner plans to build a residence for his or her use, or the use of his or her parent, grandparent, child, grandchild, brother or sister, the surviving spouse of any of those relatives, or an employee working full time in the forest use of the property.

WITHDRAWAL TAX

The owner must pay a withdrawal penalty tax whenever any land is withdrawn or removed for classification, whether or not that land is subject to the purchase option and notice requirement.

The withdrawal tax is imposed for those years since the last certification by the State Forester under Chapter 61 or the immediately preceding 5 years, whichever period is longer. If the land is voluntarily withdrawn at the end of a certification period, the tax is the difference between the amount the owner would have paid in annual property taxes on the land if it had been taxed at its fair market value during the withdrawal penalty period and the amount of both the land and products taxes the owner paid under Chapter 61 during the same time. If the

land is removed or withdrawn from classification for another reason or at another time, the tax is the difference between the amount the owner would have paid in annual property taxes on the land if it had been taxed at its fair market value during the withdrawal penalty period and the

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amount of only the land taxes the owner paid under Chapter 61 during the same time. Interest at the same rate applicable to overdue state taxes is also added to the withdrawal tax.

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**FOR FURTHER INFORMATION,
CONTACT YOUR LOCAL BOARD OF
ASSESSORS, OR CONTACT:**

**DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES
PROPERTY TAX BUREAU**

Phone: (617) 626-2300

Fax: (617) 626-2330

Web site: <http://www.dls.state.ma.us>

**TAXPAYER'S GUIDE TO
CLASSIFICATION AND TAXATION
IN MASSACHUSETTS**

CHAPTER 61

FOREST LAND

**Massachusetts Department of Revenue
Division of Local Services
Property Tax Bureau**