

VIRGINIA'S
Forest Products Tax
and the
Reforestation of
Timberlands Program

A Success Story

Program History

- **Adopted in 1970** – Response to 1966 Forest Survey that showed pine removals exceeded growth by 15%
 - Forest Industry led initiative that was written into the Code of Virginia
 - Established a self-imposed pine/hardwood forest products tax
- **Tax Increased in 1980** - Industry agreed to double the tax if General Assembly matched

Program Specifics

TAX	Pine Sawtimber	Pine Pulpwood	Hardwood Sawtimber	Hardwood Pulpwood
Reforestation	\$.925	\$.16	0	0
Protection	\$.225	\$.04	.225	.04
TOTAL	\$ 1.15	\$.20	.225	.04

- Virginia Department of Forestry administers the RT Program
- Virginia Department of Taxation collects the tax

RT Program Objectives

- Increase pine volume
 - Planning
 - Site Preparation
 - Pine Planting
 - Pine Release

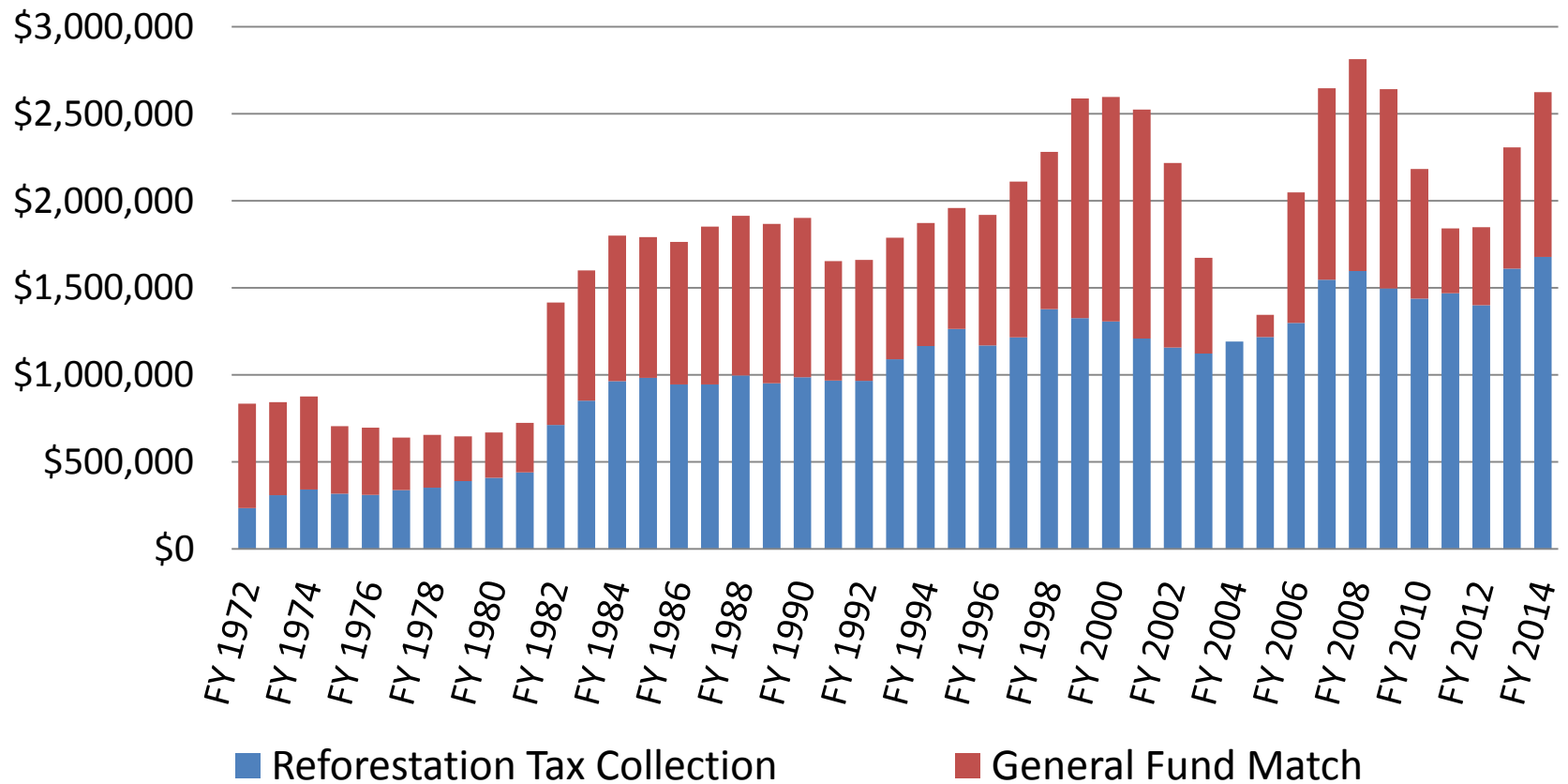


“Protection” Funding Objectives

- Payment, collection, and disposition of tax.
 - "Protection and Development of Forest Resources of the State Fund"
 - Raising, planting, and propagating seedling trees, both hardwood and softwood
 - Forest fire protection
 - Forestry education
 - Rendering forestry service to the timber landowners

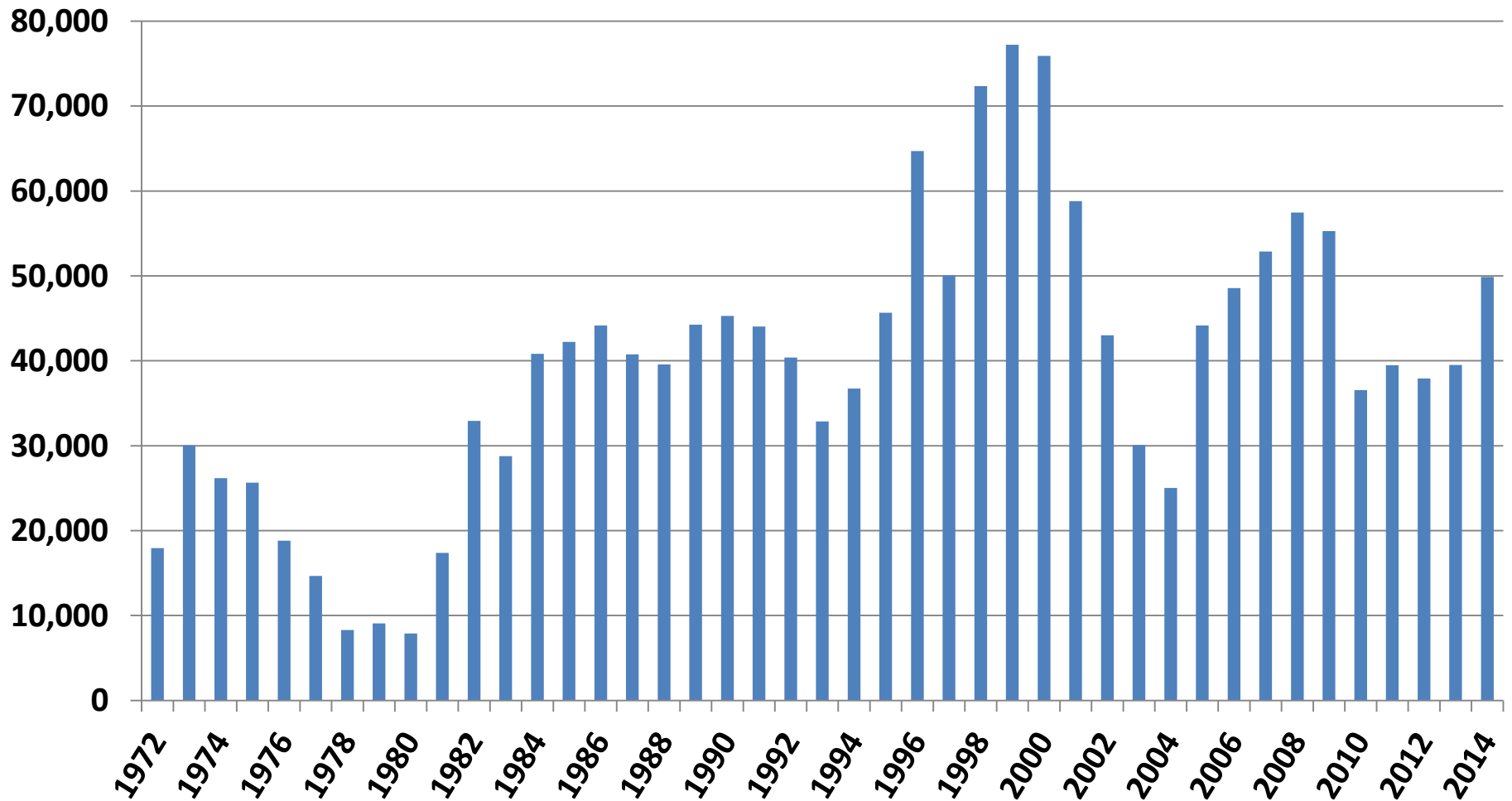
Program Funding

**REFORESTATION TAX + MATCH COLLECTED 1972
TO PRESENT - \$74,475,568**



Program Accomplishments

RT Acres Improved

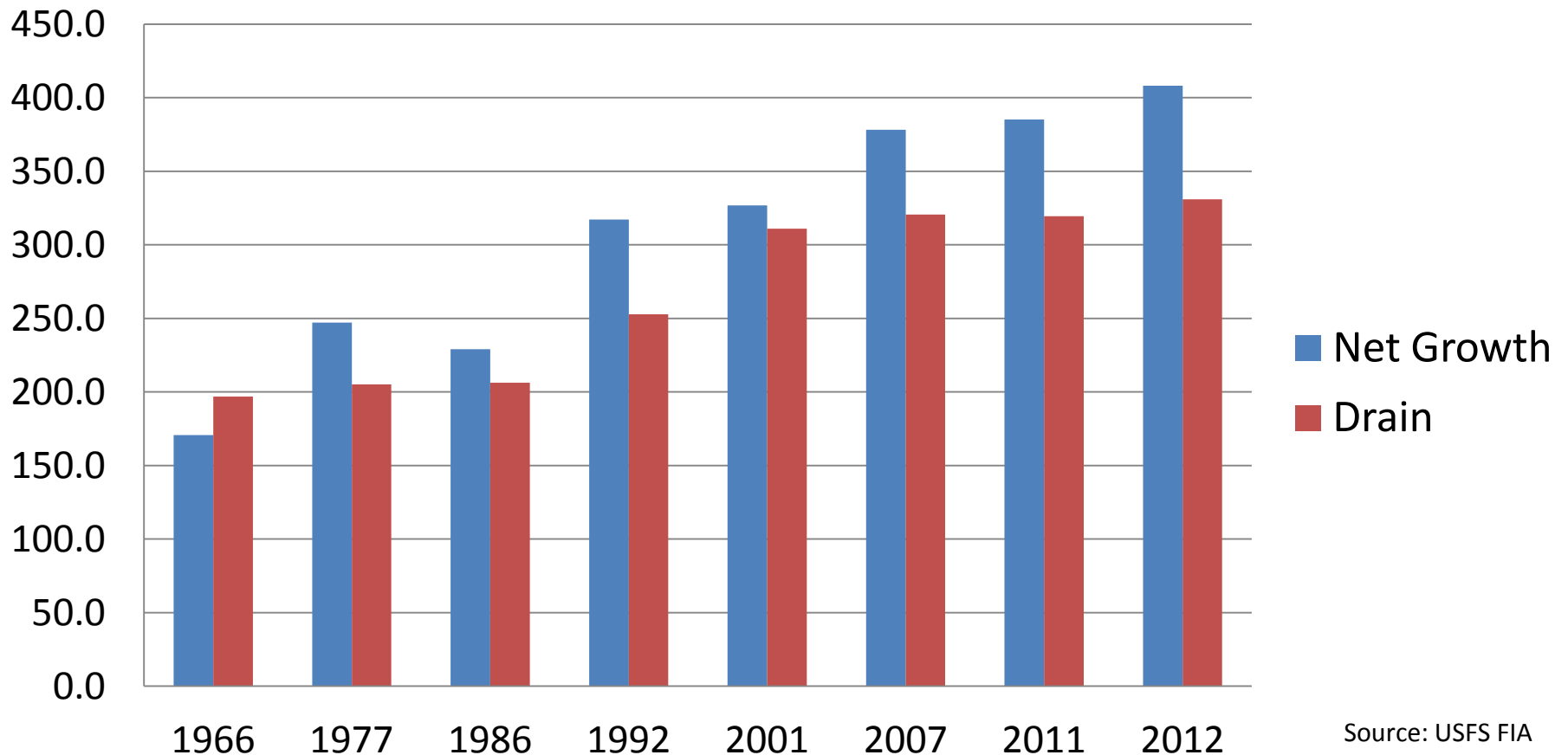


Program Accomplishments

- **1972 – 2014**
 - 44,705 Landowner Projects
 - 1,693,216 Acres Improved
 - Over \$49 million in incentives provided to landowners
 - Average 43% of landowner costs covered by cost-share incentive
 - After incentives, landowners still spent over \$72 million
 - Average project size is 37 acres

Program Success

Softwood Net Growth & Drain for Virginia 1966 - 2012 (MM Cubic Feet)



DEPARTMENT OF FORESTRY

Mission:

We protect and Develop Healthy,
Sustainable Forest Resources for
Virginians