



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Assembly Bill 1011

**Assembly Substitute
Amendment 1**

Memo published: March 17, 2006

Contact: Rachel E. Letzing, Senior Staff Attorney (266-3370)

Current law provides that an owner who harvests timber on managed forest land is assessed a 5% yield tax, based on the volume of timber harvested and the average stumpage prices in the applicable zone (there are 13 zones statewide), as provided in administrative rule. The yield tax is distributed to the local governments where the managed forest land is located (80% to the municipality and 20% to the county).

Assembly Substitute Amendment 1 provides that a managed forest land owner may choose to have harvested timber taxed under the current 5% yield tax method or by an alternative method created in the substitute amendment. Under the alternative method, the yield tax is 5% of the fair market value of the timber cut, including money and any other compensation received in exchange for the timber. If an owner chooses this yield tax method, the owner must report the timber sale to the Department of Natural Resources (DNR) on the form it provides. The DNR is directed to promulgate administrative rules which specify the information an owner must include on this form. The owner must report the amount of money and any other compensation, including in-kind services, that the owner received in exchange for selling the timber. If the timber sold is a cut product or if the owner cannot supply the type of documentation DNR requires, the current 5% yield tax method will be used.

Legislative History

Assembly Substitute Amendment 1 was offered by Representative Wieckert on March 14, 2006. On the same date, the Assembly Committee on Forestry adopted Assembly Substitute Amendment 1 on a vote of Ayes, 5; Noes, 0, and passed the bill, as amended, by the same vote.

REL:rv;jal