



WISCONSIN WOODLAND OWNERS ASSOCIATION

Educating, informing, and engaging
Wisconsin's woodland owners since 1979

WWOA Briefings THREATENED WOODLANDS

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Count our blessings: Our Woodland is in Minnesota, not Wisconsin

(condensed from the May 2012 article by Anne Petry, with her permission)

At a recent Wisconsin woodland owners meeting, I was shocked to hear how the Wisconsin tax system abuses woodland owners.

In 1995 average Wisconsin taxes on agricultural land were a little over \$15 per acre and taxes on woodland were \$7.78. By 2010, taxes on ag land were down to an average of \$3.98 per acre while taxes on woodland were up to \$32.61. That means the average tax bill for a 40-acre woodlot was \$1,304.40!

In Minnesota our property taxes are in the \$10 per acre range, instead of \$30. We can choose between the SFIA (Sustainable Forestry Incentive Act), which pays \$7 per acre per year, and the 2c tax classification that lowers the tax rate to 65% of assessed value (a 35% reduction).

In Wisconsin productive forest land is assessed at its full value, while agricultural land is assessed according to a "use value" formula that for property tax purposes values the land at \$100 to \$300 per acre, despite the fact that good ag land is currently selling in the \$4,000 range.

There are provisions in the Wisconsin tax law that encourage woodland owners to abuse their land. For example, one fellow put a fence around his 40-acre woodlot and let cattle graze in it. His taxes went down from over \$1,300 to under \$100. Another fellow planted tree seedlings in a farm field that was only marginally productive. When he got his tax bill, and saw the taxes had increased from under \$4 per acre to over \$30, he plowed up the seedlings!

The Wisconsin Managed Forest Law results in substantial tax savings but comes with many strings attached. We Minnesota woodland owners should count our blessings!