THE SOCIETY FOR PROTECTION
OF NEW HAMPSHIRE FORESTS

TAXATION OF FORESTS.

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A badly regulated system of forest taxation tends to remove the forests prematurely. In New Hampshire we have a badly regulated system, or rather a haphazard lack of system. While the results are not bad in many places, in others they are entirely unfair, and in some intolerable. The constitution of the state requires that all property shall be taxed equally and proportionally every year, which means that the growing crop of timber is taxed over and over again; this is the only growing crop that is taxed more than once.

The value of the timber is appraised annually by assessors, usually the selectmen, in each town. It may be said that not one of them dares to obey the law as written in the constitution of the state, for if timberlands anywhere were taxed every year equally with other property, the forests would be cut off promptly in order to escape taxation, and there would be little to tax. Upon a number of forests in the pine regions of the state, especially on
those held by non-resident owners, the taxes have been advanced to nearly what the law requires and the forests have already disappeared. The constitution is continually, successfully, and by necessity, violated throughout the state. We have as many systems of forest taxation as we have assessors, and only the fact that timber land generally has been assessed at much less than its true value, has prevented greater protests than have yet been heard.

There are on record a large number of cases of injustice. As we have no principle upon which to adjust forest taxes, we are entirely without stability in the assessment of those taxes. No owner knows what he may expect unless he is in favor with the assessor. As a rule the large timber owners in the northern part of the state have been able to adjust their taxes with the county commissioners and the State Board of Equalization on a fairly reasonable basis. It is in other parts of the state, and particularly upon the small owners, that the lack of system works injustice. Frequently it is the non-resident owner, who has not easy access to the assessor, that pays the highest rate. This is especially true when forests have recently been purchased and their high values are known. With methods of this kind, personal favor in the town has too large an opportunity; even cases of blackmail have been reported, where, for instance, the selectman owns and operates a sawmill, and the owners, in one case a widow, and in another a single woman, neither having large means, have had to mortgage their property in order to pay their taxes,—which mortgages have been foreclosed; in one case it is reported that by this means the widow's forest was actually used in the selectman's sawmill. Such a case is perfectly possible. Striking instances of injustice and inequality are given in the government report printed by the State Forestry Commission for 1908-1909.

The remedy which the Society proposes is as follows:

To secure, at the forthcoming constitutional convention that convenes in May, 1912, a provision enabling the legis-

lature to classify forest property for purposes of taxation separate from other property. By a change in the constitution alone is it possible to work out any equitable and fair system.

The principle toward which the Society aims, and which it seeks to accomplish in legislation after the constitutional change is made, is this: To establish an annual tax upon land values, as such, irrespective of the growing crop of timber; and later to tax the forest crop so that the main payment will come at the time of felling, at a rate sufficient to reimburse the town and the state for expenditures in fire protection, and sufficient to cover the forest's share in the general burden of taxation.

The object of this proposed change is not to lessen the tax on forests or reduce the revenue from them, but to give to all owners and to the town authorities a definite principle by which all concerned can know what to expect from a long time investment. There should be no inequality depending upon favor, such as now exists in most towns.

This plan has the merit of taxing the forest at the time the owners are able to pay, namely, at the time of felling. In carrying out this purpose to secure a change in the constitution, the Society earnestly requests the cooperation of the forest owners throughout the state, the selectmen of towns, and all who believe in the fair treatment of the timber crop.

The state of Massachusetts, which has the same bad system as New Hampshire, has passed a resolution through its legislature at the session of 1911, preliminary to changing its constitution on this point. The same bill is before the present Massachusetts legislature. If passed at two sessions and approved by popular ballot, the change in Massachusetts is accomplished. The bill provides that the legislature may classify forests separately from other property for purposes of taxation, if it chooses to do so.