2018 Tax Tips for Forest Landowners Now Available

Tax tips for forest landowners for the 2018 tax year are now available online for those needing some assistance.

You can find those tips online at www.fs.fed.us/spf/coop/library/taxtips2018.pdf. The Federal income tax provisions that apply to timber have changed for the tax year because of legislation from December 2017. The guideline of tips is designed to help family timber owners, foresters, and their tax preparers in filing their 2018 tax returns.

There are various sections with tips and examples for topics that include timber property types, deductions of timber expenses and taxes, timber sales and reporting, timber basis and depletion deduction, timber and landscape tree casualty loss, installment sales, depreciation, Sec. 179 expensing and bonus depreciation, net investment income tax, cost-share payments, filing Form T (Timber), conservation easement, and like-kind exchanges.

Every year, Dr. Linda Wang with the U.S. Forest Service writes and releases the tips. She has a doctorate in forest economics from the University of Washington at Seattle and first learned about the Forest Service by reading economic studies. She joined in 2006 after eight years of working with the Texas Forest Service. Wang is now the Forest Service’s only tax expert and she manages the organizations Timber Tax website, one of the agency’s top destinations for online visitors.

Wang said her favorite part of the job is helping people with their tax questions. She helps forest landowners by delivering seminars so they can better understand the timber tax implications for their property.

“I’d like the public to perceive the Forest Service as the premiere leader in protecting land and serving people,” she said. “I believe it is important to put a priority on connecting with people and striving to deliver outstanding service.”

AFA Hosts Orientation Meeting for New Board Members

On February 15, staff members of the Arkansas Forestry Association met with members of the Board of Directors for a Board Orientation.

Eight new members of the board listened as staff members discussed AFA’s mission, vision and programs. Those members included Tim Kibe, Green Bay Packaging Inc.; Raven Lawson, Central Arkansas Water; Jason Gibson, Weyerhaeuser; Scott Millburn, retired, PotlatchDeltic; Don McElroy, Anthony Timberlands Inc.; Tim Hahn, West Fraser, Inc.; Tim Bitely, Clearview Forestry, Inc.; and John McAlpine, Kingwood Forestry.

The new board members had the opportunity to hear from each full-time staff member on what they do and how it furthers the association’s mission and vision. Executive Vice President Max Braswell discussed how AFA advocates, educates and communicates for the forestry industry in the state. He also discussed some of his work during the legislative session.

Communications Coordinator Seth Stephenson talked about the various sponsorship opportunities to support the AFA Education Foundation.

Imagine a world where every young person spends quality time learning about the natural world and their place within it. They count a tree’s growth rings, look for insects in a rotting log, examine different types of packaging, or learn the environmental and economic impacts of Arkansas’s forests.

These are just a sample of the ways that the Arkansas Forestry Association Education Foundation (AFAEF) increases students’ understanding of our complex environment and instills the confidence and commitment to take action on its behalf.

Sponsorship Opportunities to Support the AFA Education Foundation

By: Rob Beadel

Students dissect owl pellets during Forest Awareness Day hosted by Project Learning Tree.

The AFAEF and Arkansas Project Learning Tree (PLT) are honored to host the 33rd
The Arkansas Legislature is still in session and AFA is keeping an eye on various issues as decisions are made at the capitol.

Two of the session’s big-picture issues took center stage during the fifth week of the 92nd General Assembly - the Governor’s income tax reduction plan and the unveiling of his road-funding proposal. In addition, HB 1117 and HB 1215, two state government transformation bills that AFA is following, received hearings in committee.

The Governor’s $97 million tax cut proposal, after passage in the Senate, faced more of a challenge in the House, though that wasn’t the case at the committee level despite an hour of testimony for and against, where SB 211, by Senator Jonathan Dismang, R - Searcy, cleared the House Revenue and Tax Committee on a party-line 15-2 vote. It was on the House floor two days later (the bill required a three-fourths vote to approve it) where the bill faced more opposition, from both Democrats who feel there are better options for the state and characterize the bill as a tax break for the rich, and a few Republicans who either felt the bill didn’t provide enough tax relief or who wanted to first hammer out a solution to the state’s highway funding needs. After all was said and the vote was done - SB 211 cleared its final hurdle before heading to Governor Asa Hutchinson by a vote of 82-14. Hutchinson signed it February 19.

On February 11, Governor Asa Hutchinson unveiled his $300 million road-funding proposal during a press conference at the Capitol. The centerpiece of the plan, which would also provide $110 million to cities and counties, is a permanent extension of a half-cent sales tax passed in 2012 and set to expire in 2023, and a 3-cent per gallon increase in the wholesale gas tax. The gas tax would raise another $58 million per year. New casino tax revenues of $35 million are also part of the proposal, plus several additional revenue sources. The proposal was met with generally favorable reviews from both sides of the political aisle, although according to Rep. Dan Douglas, R - Bentonville, some GOP lawmakers had concerns about both the half-cent sales tax extension and gas tax increase. With the income tax bill now Act

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This month, AFA introduced the Poll Yard, where we want to hear from you. Every other month, starting in February, we will ask a new question. The following month, we will publish your answers!

February’s Question:
What is your favorite memory tree?

You can submit your answer by visiting http://survey.constantcontact.com/survey/a07eg3aywtwjrw809qe/start. If you would like your name published, make sure you add it to your answer.

CALENDAR OF EVENTS

March 5
10 a.m. - Government Affairs Committee Meeting
AFA Offices
Little Rock

March 6
10 a.m. - Program Committee Meeting
AFA Offices
Little Rock

March 7
10:45 a.m. - District 5 Tree Farm Inspector Meeting
Western Sizzlin’
Malvern

March 8
10 a.m. - ELP Meeting: AFA 101
AFA Offices
Little Rock

March 12
9 a.m. - TCT Workshop Series
Session 1: Prescribed Fire
CAW’s Forest Legacy Property
Bigelow

11 a.m. - District 2 Tree Farm Inspector Meeting
Ari’s Little Italy
Glenwood

March 13
10 a.m. - Tree Farm Committee Meeting
AFA Offices
Little Rock

March 14
10 a.m. - Executive Committee Meeting
AFA Offices
Little Rock

Please Note:
For meetings that are held at the AFA Office, please park on the street or in one of the area lots -- do not park in the Arkansas Chamber of Commerce parking lot.
AFA Board Orientation, con’t.

AFA publications and the work done on social media. Members were very curious about the Emerging Leaders Program, also managed by Stephenson, and some of the changes that could be made in the future to better serve those in the program.

Director of Business Jennifer Johnson explained her success with the Arkansas Tree Farm Program during her time with the association. Johnson also helps plan various meetings with the association. The 2019 AFA Annual Meeting, which the Program Committee is currently planning, was another topic of discussion.

To finish off the orientation, Director of Business Jennifer Johnson explained her success with the Arkansas Tree Farm Program during her time with the association. Johnson also helps plan various meetings with the association. The 2019 AFA Annual Meeting, which the Program Committee is currently planning, was another topic of discussion.

Bills Signed, Forestry in PC&E con’t.

182, legislators are expected to turn their attention to the highway-funding proposal. Senate President Jim Hendren, R - Gravette said in an interview with Talk Business & Politics, that it should easily pass the Senate, where it needs 18 votes and has 22 co-sponsors.

On the state government transformation side, HB 1117 by Rep. Andy Davis, R - Little Rock, the state government transformation bill that creates the cabinet-level Department of Agriculture, which includes the Arkansas Forestry Commission, was on the agenda for the Senate State Agencies and Government Affairs Committee's February 12 meeting. Rep. Davis previously presented the bill to the House State Agencies Committee. There are 16 total transformation bills that will be considered in both the House and Senate committee during “discussion only” sessions, then when all input has been considered, the bills will be combined into one massive bill that could reach 2,000 pages.

The Senate committee, particularly Senators Bill Sample, R - Hot Springs, and Jimmy Hickey, Jr., R - Texarkana, peppered Rep. Davis with multiple questions. Sen. Hickey's questions focused primarily on points of clarification, while Sen. Sample voiced several concerns related to the original intent of the Arkansas Agriculture Department and how the Arkansas State Plant Board would function under the department.

AFA continues to maintain our advocacy efforts to keep a forestry position on the Arkansas Pollution Control & Ecology Commission, so we are watching both HB

Forestry Education Rob Beadel talked about his efforts in educating teachers, landowners and students for a little over a decade with programs like Project Learning Tree. Beadel celebrated 11 years with the association in February.

HB 1215 was presented to the House and Senate State Agencies committee on back-to-back days. During the Senate meeting, Senators Hickey and Committee Chairman Ron Caldwell, R - Wynne, expressed concerns over the make-up of PC&E as defined in the bill. Specifically, the breakdown of state employee designees (eight) versus the private sector (seven). The State Forester position on PC&E is one of those eight state appointments by the Governor. Rep. Davis agreed to take those concerns back to the Governor for consideration. It looks like it will still be a couple of weeks before the massive omnibus transformation bill is considered, but with the income tax issue put to bed, this issue joins highways as two key initiatives that will garner significant attention.

You can stay up to date with what goes on during the 92nd Arkansas General Assembly in regards to the forestry industry with AFA’s weekly Legislative Update. Every Monday, AFA Executive Vice President Max Braswell, sends out this publication via e-mail after spending time at the state capitol. If you are not signed up for this update and would like to be, you can email sstephenson@arkforests.org. If you have any questions regarding any of the issues mentioned, you can e-mail Max at mbraswell@arkforests.org.

AFAEF Sponsorship Opportunity, con’t.

Annual International PLT Coordinators’ Conference May 6-9, 2019 in Little Rock. Each year, this conference brings together an international network of more than 125 environmental education leaders to promote ideas and strategies for educating today’s youth on the benefits of environmental education. This year also marks the 26th Anniversary of the Teacher Conservation Tour (TCT). The AFAEF, along with partners from our forestry community including forestry professionals, timber producers and forest product manufacturers from across the state have been providing this professional development workshop for Arkansas educators since 1993. The TCT has become one of the premier professional development opportunities for licensed educators and only forestry-specific workshop in the state.

This is your opportunity to support the work of the AFA Education Foundation. No donation is too small and all funds help with AFAEF’s mission to inform individuals, businesses, schools, children and others of the benefits of maintaining sustainable forests through quality management and the importance of the forestry community to the people of Arkansas. The AFAEF is a 501c3 nonprofit and all donations are tax deductible.

If you would like to make a donation to one of the above initiatives or to give to the general AFAEF fund, please send your contributions to: AFAEF, 1213 W. 4th Street, Little Rock, AR 72201. If you would like to be invoiced or donate by credit card, please contact Rob Beadel at rbeadel@arkforests.org or call (501) 374-2441. AFAEF will be happy to provide a tax receipt for your records.

Board members Jason Gibson, Raven Lawson, and Tim Kibe listen to AFA staff work descriptions.

Students gather to plant a tree on school property in honor of Earth Day with Director of Forestry Education Rob Beadel.
Big Creek Timber Company proudly supports the Arkansas Forestry Association

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