

State of California
BOARD OF EQUALIZATION
PROPERTY TAX RULES

Chapter 1. State Board of Equalization — Property Tax
Subchapter 11. Timber Yield Tax
Article 1. Valuation of Timberland and Timber

Rule 1023. IMMEDIATE HARVEST VALUE.

References: Sections 38109, 38204, Revenue and Taxation Code.

(a) DEFINITIONS. Immediate harvest value is the amount that each species or subclassification of timber would sell for on the stump at a voluntary sale made in the ordinary course of business for purposes of immediate harvest. Such value shall be expressed to the nearest dollar per standard unit of measure applicable pursuant to Rule No. 1022, except that the immediate harvest value of Christmas trees shall be the sale price of such trees in quantities of 100 or more in the market area nearest to the place where the trees are cut and adjusted to reflect the value of the trees immediately prior to severance.

Timber value areas are those areas containing timber having similar growing, harvesting, and marketing conditions.

Harvest value is the immediate harvest value in a timber value area as of the first day of the period specified by the applicable harvest value schedule.

“Timber at similar locations” means timber in an area of comparable elevation and topography, and subject to comparable logging conditions and accessibility to the point of conversion.

(b) HARVEST VALUE SCHEDULES. The timber owner shall determine the taxable value of the timber harvested for each harvest operation by the use of the Board harvest value schedule applicable to the tax reporting period.

The harvest value schedules adopted by the Board provide estimates of harvest values by considering gross proceeds from sales on the stump of similar timber of like quality and character at similar locations, or gross proceeds from sales of logs, or of finished products, adjusted to reflect only the portion of such proceeds attributable to value on the stump immediately prior to harvest, or a combination of both. Allowance is made for differences in age, size, quality, cost of removal, accessibility to point of conversion, market conditions, and other relevant factors.

Each value schedule provides harvest values for a timber value area taking into account species and average tree or log size. Appropriate allowances for costs of removal have been calculated by consideration of the most common logging systems used within the area, the actual methods of harvesting the timber, the volume per acre, the total volume removed per harvest operation, the typical haul range distances to a conversion point and any excessive required costs of removal.

(c) DAMAGED TIMBER. The Board, either on its own motion after consultation with the Timber Advisory Committee or in response to an application from a timber owner may specify a modification of immediate harvest value to reflect material changes in timber values that result from fire, blowdown, ice storm, flood, disease, insect damage, or other cause, for any area in which damaged timber is located. Whenever a timber owner uses such modified immediate harvest values for reporting damaged timber, he shall maintain appropriate accounting records as specified by the Board.

History: Adopted January 6, 1977, effective March 3, 1977.
Amended and effective June 24, 1997.