



January 10th, 2025

Maine's Tree Growth Tax Law

Maine Forest Service

Webinar Goals

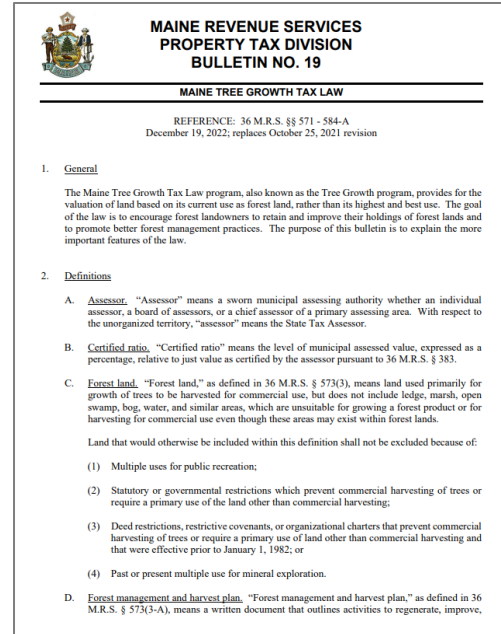
- Overview of Maine's current use program
 - Focus on Tree Growth Tax Law (TGTL)
- Purpose of TGTL
- Program requirements
- Considerations and common issues
- Available resources
- Frequently asked questions

Property Taxation

- **Ordinary Taxation:** Assessed property value based on “just or fair market value”
 - Also called “highest and best use”
- **Current Use Taxation:** A property’s assessed value is based on the “current use”
 - Assed value NOT based on “highest and best use”
 - i.e. Growing trees vs. development

What Are Current Use Programs?

- Maine has 4 current use programs
 - Farmland ([Bulletin 20](#))
 - Open Space ([Bulletin 21](#))
 - Tree Growth ([Bulletin 19](#))
 - Working Waterfront
- Property valuation is based on current use instead of market value
 - Unique criteria for each program
 - Enrollment MAY result in a reduced assessed value



Current Use Continued

- Statewide programs
 - Administered locally by town assessor
 - Maine Revenue Service (MRS) administers programs for unorganized townships
- Significant withdrawal penalties
 - If land use changes
 - Failure to meet program specific requirements

**Visit Maine
Revenue Service to
learn more!**

*Current Use
Programs*

Property Valuation Under TGTL

- Per acre valuations are established by MRS
 - Data from MFS
 - Adjusted each year
- Valuations by forest type
 - Softwood, hardwood, mixedwood
 - By county
- # of acres X value per acre = assessed value

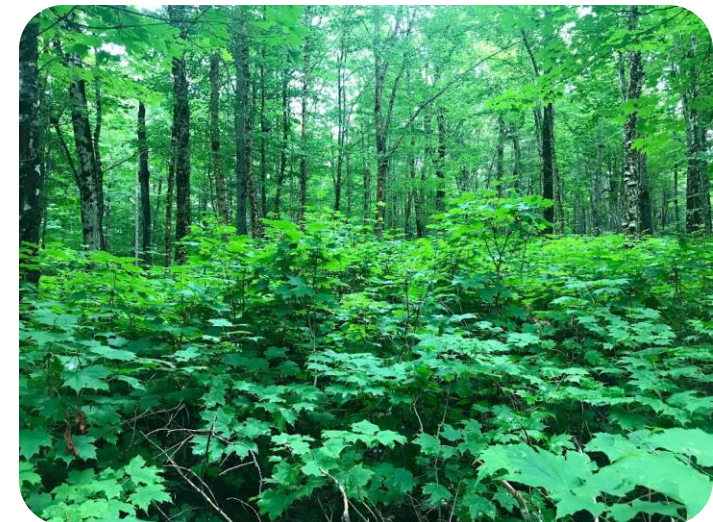
Please Remember....

- The Maine Forest Service does not administer the Tree Growth Tax Law program
 - Administered by town/Assessor
- Tree Growth Tax Law is not the same as the American Tree Farm system



Purpose of Tree Growth Tax Law

- Enacted by the Maine legislature in 1972
- Intended to help landowners maintain productive woodlands
 - Promote better forest management practices
 - Support forest industry and communities



Tree Growth Tax Law Requirements

1. Enroll 10+ contiguous acres
- 2. Grow & harvest commercial forest products**
3. Forest management plan by a licensed Forester
4. File initial application with your assessor
 1. Recertify every 10 years
- 5. Enrollment goes with the property NOT the owner**

1. 10 Contiguous Acres

- Not all forestland on the property must be enrolled
- 10 acres capable of productive forestland

2. Grow & Harvest Commercial Forest Products

- Commercial forest products must be the primary objective
- Commercial forest products are compatible with many other goals!



What is a Commercial Forest Product?

- Sawlogs, pulpwood, firewood for sale
- Maple syrup
- Christmas trees & tips



What is NOT a Commercial Forest Product?

- Berries, nuts, mushrooms
- Firewood for personal use

3. Forest Management Plan

- Written by a licensed Maine Forester
- Confirm all required parts of the plan are included
 - Bulletin 19
- Help document your goals & objectives
 - Commercial forest products
- Assess the condition of your forestland
- Align objectives with appropriate management activities
 - Develop a schedule of activities
- **Forest management plans are private, confidential documents**

Harvesting in Tree Growth

- Develop your harvest schedule with your forester
- There is no set time you must harvest under TGTL
- Follow the schedule in your FMP





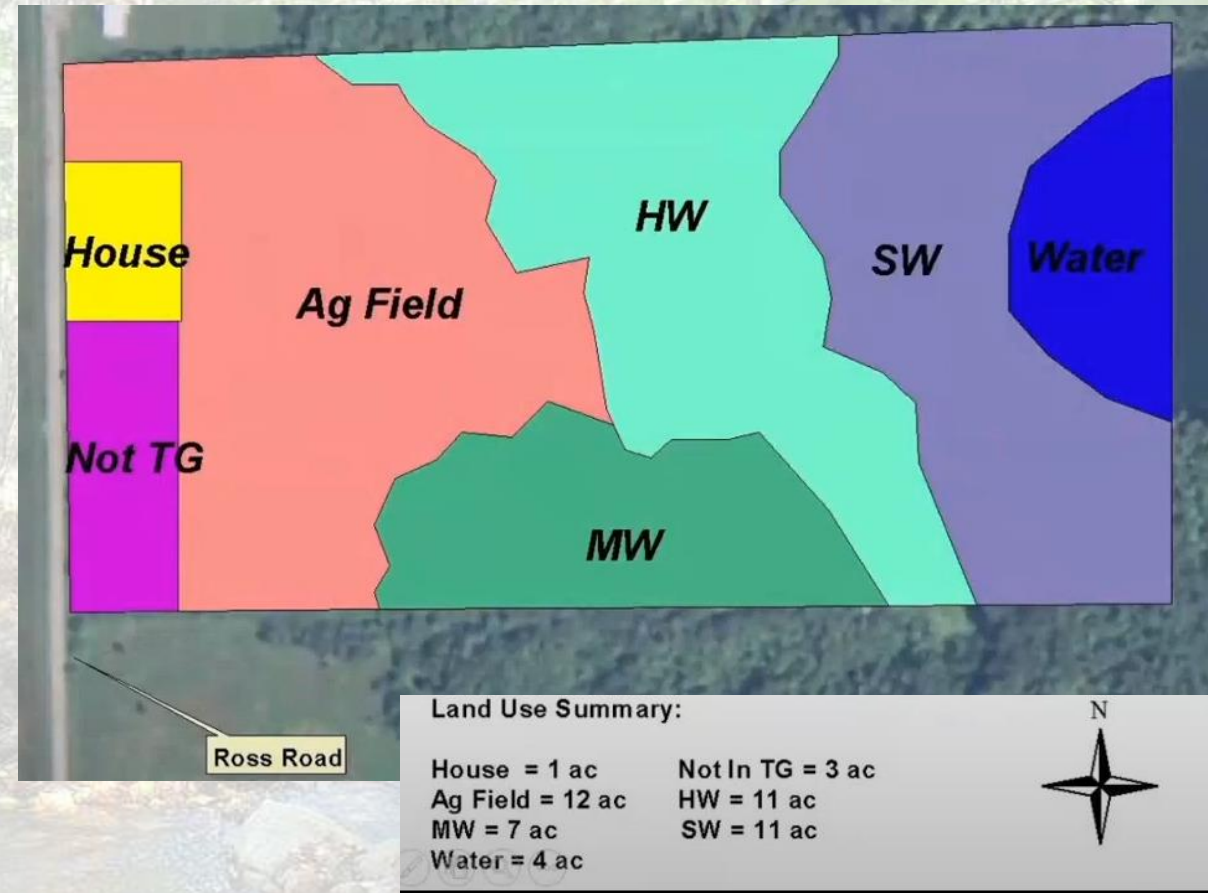
**Unsure how to find a licensed forester?
The Maine Forest Service can help!**

4. Complete a TGTL Application

- Have a completed forest management plan
 - You are not required to submit your FMP with your TGTL application
- Submit an application to the town/assessor
 - File by April 1 for the year first considered
- Submit a map of the parcel to the town/assessor
 - Classified and other land


Map Requirements

- Location of water bodies and all land uses
- Forest stand types
 - Softwood, hardwood, mixedwood
- Maps can be updated, but land use can't be around



Recertify Every 10 Years

- Forester will confirm past schedule of activities
 - Update your plan for the next 10 years
- File a new application schedule
 - Signed by licensed forester
 - Updated map if applicable



**APPLICATION FOR
TREE GROWTH TAX LAW PROGRAM**
36 M.R.S. §§ 571-584-A, Bulletin No. 19

ASSESSOR USE ONLY
Recertification Date: _____

1. Name of owner or agent: _____
2. Mailing address: _____
 Email: _____ Phone: _____
3. Location of parcel (municipality): _____
4. Identification of parcel: _____

	Tax Map	Plan	Lot
5. Forest land			
<u>Type</u>			<u>Acres</u>
a. Softwood.....			5a. _____
b. Mixed wood.....			5b. _____
c. Hardwood.....			5c. _____
d. Total forest land area (add lines 5a through 5c).....			5d. _____
6. Land unsuitable for forest land			
<u>Type</u>			<u>Acres</u>
a. Natural water and man-made water areas.....			6a. _____
b. Wetlands (swamp, marsh).....			6b. _____
c. Ledges and barrens.....			6c. _____
d. Total land unsuitable for forest land (add lines 6a through 6c).....			6d. _____
7. Land used for purposes other than forest land			
<u>Type</u>			<u>Acres</u>
a. Building area.....			7a. _____
b. Fields.....			7b. _____
c. Gravel pits.....			7c. _____
d. Transmission line or pipeline right-of-way area.....			7d. _____
e. Class I roads (includes culverts, ditching, gravel).....			7e. _____
f. Class II roads (unimproved haul road).....			7f. _____
g. Agricultural area (crops: _____).....			7g. _____
h. Other areas (use: _____).....			7h. _____
i. Total land used for purposes other than forest land (add lines 7a through 7h).....			7i. _____
8. TOTAL AREA OF PARCEL (Add 5d, 6d and 7i).....			8. _____

5. TGTL Enrollment Stays with the Property

- **The property stays enrolled even if the landownership changes**
- Important for land sales & transfers

What if Land Is Sold?

- The new landowner has 1 year to decide to stay in TGTL or leave the program
- Sold land subdivided <10 acres = automatic withdrawal with penalty

Options for New Owners

- To stay enrolled fill out a new application and map within one year of transfer date
 - Adopt the previous owner's plan or develop a new plan with a licensed forester
 - Adopted plan requires a forester's signature
- Choose to withdraw- with penalty



Withdrawing from TGTL – The Easy Way

- *Option 1*: Transfer the parcel to another current use program
 - No penalty if all acres qualify
- *Option 2*: Withdraw some or all the land voluntarily
 - One time penalty

Withdrawing from TG - The Hard Way

- The assessor withdraws the land because of failure to meet requirements:
 - Creating parcels < 10 acres
 - Failure to follow forestry plan
 - Failure to recertify
- Landowner pays a penalty

Withdrawal Penalties

- Penalties can be substantial
- Percentage of the difference between the acre-specific “just” value and the TGTL Valuation on date of withdrawal
- Minimum = difference in taxes paid in the last 5 years + interest
- Full details in Bulletin 19

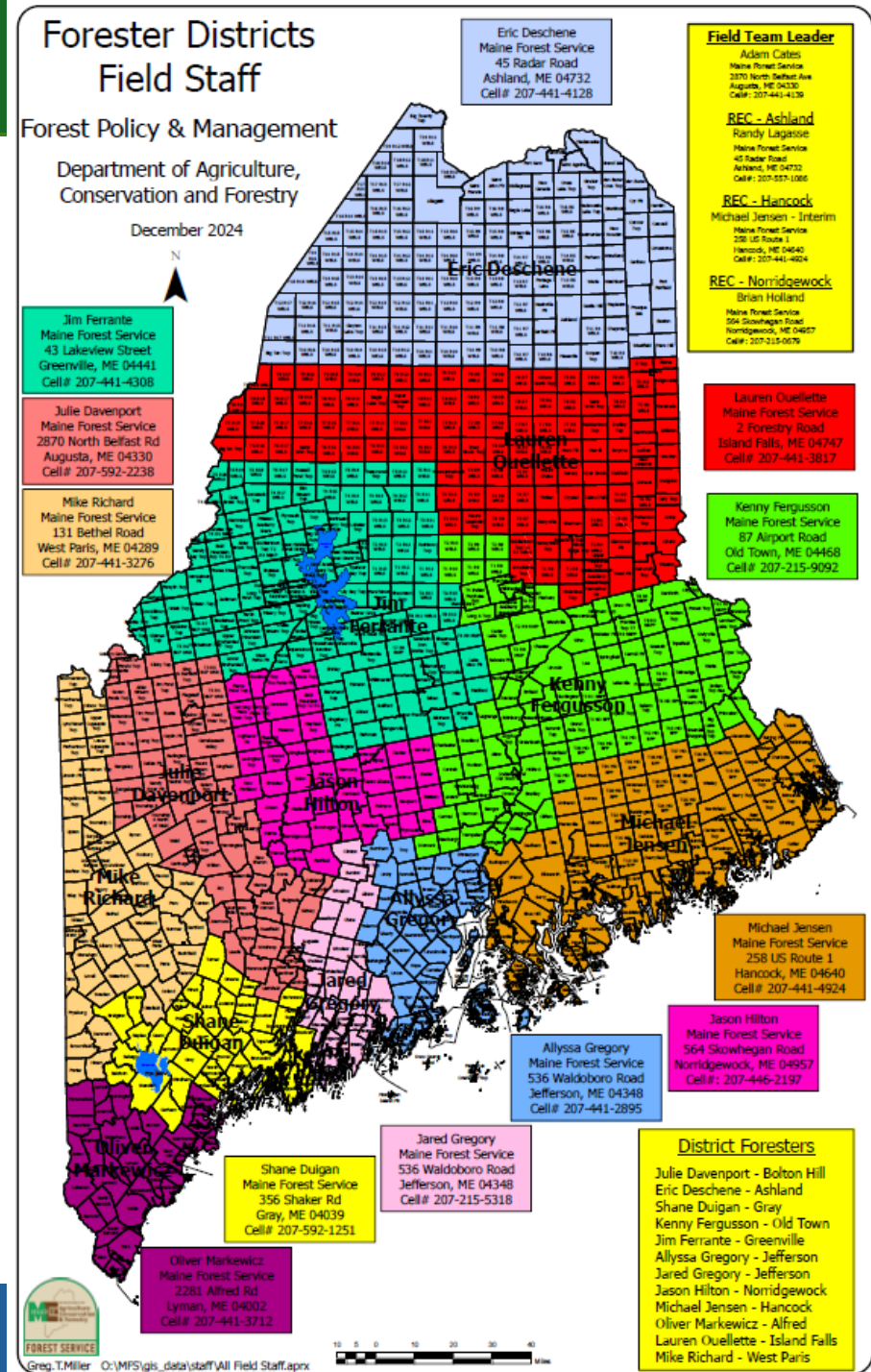
TGTL Summary

- TGTL is a current use tax program
 - Administered by MRS and town/assessor
- Management plan by a licensed forester and TGTL application
 - Recertify every 10
- TGTL stays with the property, not the owner
- Withdrawal comes with a penalty



Available Resources

- Maine Forest Service
- Maine Revenue Service
- District Foresters
- Maine TREE & Maine Woodland Owners



What about Forest Carbon?

- Tree growth statute does not define forest carbon as a commercial forest product
- Primary purpose must be to grow/harvest commercial forest products as defined in statute
- You and your forester should assess whether you meet the primary purpose requirement



Frequently Asked Questions

- Do I need to harvest every 10 years to be compliant in TG?
 - No
- Are harvesting requirements different for properties in TGTL?
 - No, harvesting on TGTL land is NOT regulated differently than other land
- Land can be transferred to another current use program and then removed without penalty
 - No

Frequently Asked Questions

- Is my forest management plan for TGTL a public document?
 - No, but the Assessor can request a copy to confirm compliance
- If I'm buying land in TGTL, does the seller need to share their FMP with me?
 - No
- Can I withdraw my property from TGTL at the time of recertification without penalty?
 - No

Thank You!

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[MFS TGTL webpage](#)

Maine Revenue Service

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