

## Strange Bedfellows Seek Bigger Timber Tax Break in New York

By Gerald B. Silverman

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- Timber industry joins environmental groups in bid to expand forest tax break
- Both sides hope Gov. Cuomo includes in state budget

An unexpected alliance of the New York timber industry and environmental groups is pushing for an expansion of a 44-year-old tax break for timber production.

The two sides are urging the governor and Legislature to double the size of the program, streamline the application process, and expand the program's scope to cover land that's also used for open space and wetlands.

Gov. Andrew M. Cuomo (D) announced support for the changes in his 2017 State of the State message but has not mentioned it this year. Supporters are urging Cuomo to include it in his proposed budget for FY 2019, which he will release Jan. 16. Cuomo's office could not be reached for comment.

The proposal, which has bipartisan support in the Legislature, would both benefit the timber industry and help address climate change through natural carbon sequestration.

### **\$13 Billion Industry**

Timber is a \$13 billion industry in New York, which has 15 million acres of privately owned forest land, according to the Empire State Forest Products Association, whose members include International Paper, Finch Paper LLC, and other companies.

The relatively modest program provides tax breaks of about \$1.5 million statewide for landowners in exchange for the sustainable management of forests on their property.

John Bartow, executive director of the association, told Bloomberg Environment Jan. 10 that the groups would like the program doubled to roughly \$3 million. He said it provides economic and environmental benefits while also maintaining a strong timber industry.

"It's more than just keeping the forest as forest," he said. "It's really sustainably managing that forest for maximum benefit."

Under the current program, landowners are eligible to have 80 percent of the assessed value of their property exempted from property taxes if they agree to certain forest management practices for at least 10 years. To ease the burden on local governments, the state essentially reimburses them if the total amount of exempt property equals at least 1 percent of their property tax levies.

The key changes sought by the timber industry and environmental groups would reduce the threshold for participation in the program from 50 acres of forest to 25 acres, expand eligibility beyond forest land to include forest land that also includes open space and wetlands, and streamline the application process to make it easier for landowners to receive the benefits.

Jessica Ottney Mahar, policy director of the Nature Conservancy in New York, told Bloomberg Environment that the timber companies have been "incredible stewards of the land."

"This is an industry that relies on the environment," she said Jan. 10. "We actually make great partners."

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