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NEW LAND VALUE AND PROPERTY TAX DATA SHOWS FOREST LAND DISPROPORTIONALLY TAXED

Newly released data shows major discrepancies in how Wisconsin's rural lands are taxed.

Wisconsin's Department of Revenue (DOR) data shows property taxes paid on land classified as Agricultural averaged \$3.19/acre in 2015, while the property taxes on Productive Forest averaged \$45.57/acre – a 1400% difference.

This disparity begins with the way in which agricultural land and forest lands are valued differently for taxation purposes. Although agricultural land sales in 2015 averaged \$5457/acre,* the land is taxed, under use value assessment, as if it was worth only \$212/acre. Had this land been taxed at full fair market value using the statewide average tax rate (or mill rate) of \$18.59/\$1000, the tax bill would be \$101/acre. On the other hand, productive forest land, which on average sold for less than ½ that of agricultural land, is taxed at full market value. In 2015 the average tax on these lands was \$38.48/acre.

This large disparity in tax rates between lands that produce annual crops and those that produce a crop only after several decades has created a major incentive for landowners to either clear cut their woodlands, pasture them with livestock, or sell the land for development.

In addition to the negative environmental impacts of clear cutting and pasturing, the threat of lost forest lands could negatively affect the future of Wisconsin's forest products industry which provides more than 64,000 jobs (13.5% of jobs and 12.6% of wages in the manufacturing sector) and has an output of \$24.7 billion.

To help land owners better understand the differential property taxation system that classifies rural lands as Agricultural, Agricultural Forest, Productive Forest, and Undeveloped, the Wisconsin Alliance of Forest Owners (WAFO) has released its updated Tax App.

The new version of WAFO's Tax App improves upon the first by including information on Assessed Value per Acre and allowing users to compare tax information from the three most recent tax years. WAFO introduced the new information, which comes from DOR, after many requests from landowners.

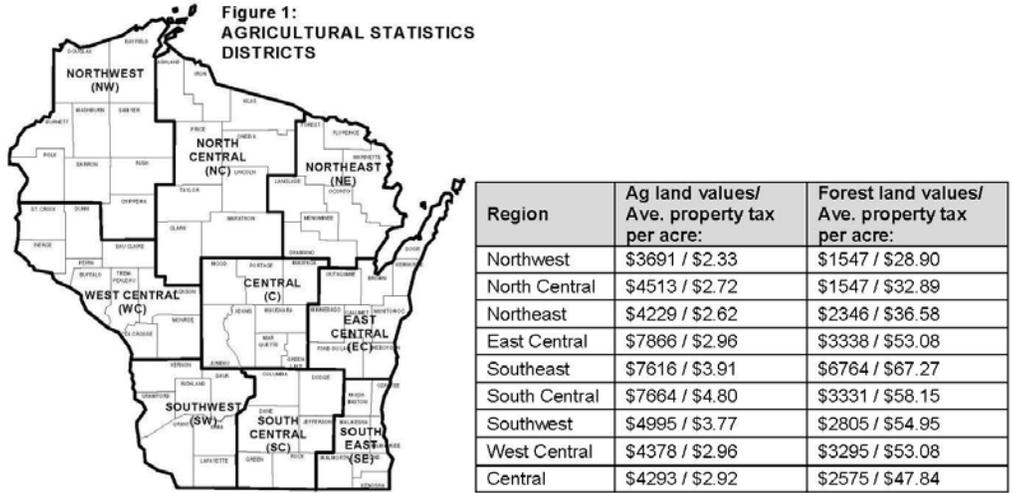
WAFO board member, Richard Wedepohl, said "We're very pleased that so many people have accessed the Tax App since it was launched in January 2015. Our goal has always been to see forest lands being treated equitably when it comes to property taxes, income taxes, and special regulations and restrictions imposed on other rural lands. This Tax App gives landowners the power to be informed of the tax discrepancies among the various land classifications."

Wedepohl encourages all Wisconsin landowners to "look beyond what is shown on their tax bill to educate themselves on how every acre of their land is classified. Although it's not shown on property tax bills, much of this information is available from county websites or can be obtained from the local town

clerk or town assessor. Landowners can also email WAFO at info@wiafo.org to request a Landowners Guide to Understanding Your Property Tax Bill.”

Find out how your property taxes compare by selecting your county and local municipality on the Tax App found at www.wiafo.org. For more information, visit the WAFO website, call (608) 218-4789, or email WAFO at info@wiafo.org.

* National Agriculture Statistics Service (NASS)



2015 Land Values Source: National Agricultural Statistics Service

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