



EASTERN OREGON PRIVILEGE TAX

INSTRUCTIONS FOR FORM 304 (EA)—SMALL HARVESTER ELECTION

For Owners of 5,000 Acres or More

GENERAL INFORMATION

Who is the taxpayer?

The taxpayer is the owner of the **harvested** timber when it is first measured. The timber owner name as listed on the Notification of Operations (permit) is responsible for reporting and paying the tax (ORS 150-321.005).

What if I did not harvest?

You are required to file a return even if you did **not** harvest timber during the year. Check the "NO HARVEST" box in the upper right on the front of the return. **Sign, date, and mail** your return to the Oregon Department of Revenue.

Is another party responsible?

If the ownership of the timber has been transferred to another party and you feel that you are not responsible, check the box at the top of the form attach a copy of the written agreement (contract) and send it with the return.

The written agreement (contract) must contain the name of the responsible party and the terms of the agreement.

Exempt land

Owners of land assessed by the county assessor as other than forestland are exempt from paying privilege tax upon harvesting. **The Forest Products Harvest Tax is still required for all timber harvesters.**

If you are not sure how your land is assessed, contact your county assessor's office before filing your return. If you are claiming exempt land, check the box at the top of the front of the return. Enter your property tax account number or attach a copy of your property tax statement. **Do not complete the detail or summary page on your return.**

What is the filing deadline?

January 31 for harvested timber that is **measured** between **January 1 and December 31** of the prior calendar year.

What records do I need to complete my return?

The following documents are needed to complete your return. However, only the logging contract is required to be sent with your return.

- Department of Forestry Notification of Operations (forestry permit(s)).
- Logging contract(s).
- Mill records showing volume and total gross sales amount for products sold, i.e., mill records and/or scale tickets.

Keep a copy of your returns and all original records for at least three years from the date returns are due.

Did you receive the correct return?

- If you own **4,999 acres or less** and want to file a Standard Return, you need **Form 202**.
- If you own **4,999 acres or less** and want to file a Small Harvester Election Return, you need **Form 210**.
- If you own **5,000 acres or more** or you opted into the 5,000 acres or more program and file a Standard Return, you need **Form 306**.
- If you own **5,000 acres or more** or you opted into the 5,000 acres or more program and file a Small Harvester Election Return, you need **Form 304**.

If you own 5,000 acres or more and purchase timber from a 4,999 acres or less owner you must file a return on Form 202 (Standard) or Form 210 (Small Harvester) for this purchased timber.

If you own 4,999 acres or less and purchase timber from a 5,000 acres or more owner you must file a return on Form 304 (Small Harvester) or Form 306 (Standard) for this purchased timber.

This could result in filing two separate forms for the same year.

If you need a return other than what you received or in addition to what you received, call toll-free in Oregon 1-800-356-4222, or 503-378-4988 to order. Please state the form name and number you need.

Do I qualify to use the Small Harvester Election return?

To qualify for this option you must have owned **less** than 10 percent of a forest products processing business during the 12-month period before the date the tax is due, **and** harvested less than 500 MBF (thousand board feet) of timber in the calendar year.

If you do not qualify for the Small Harvester Election, you must use the Standard Return (Form 306). Even if you qualify for the Small Harvester Election, you may choose to file a Standard Return.

What timber harvest is subject to tax?

All timber harvested from private forestland statewide that can be measured in board feet or tons, and meets the requirements of utility cull or better, is subject to the tax. Also, logs chipped in the woods from private lands are subject to the tax. You must still file a return.

Exempt timber not subject to tax:

- Secondary products, other than chips, **manufactured in the woods** and produced from logs normally either left in the forest or burned as slash. **Examples:** shake or shingle bolts, fence posts, firewood, and arrow bolts.
- Timber on land assessed by the Valuation Section, Property Tax Division, Oregon Department of Revenue. **Example:** railroad or power line right-of-way.
- Timber on land exempt from property taxation by the county assessor.
- Timber on land assessed as other than forestland by the county assessor.

What if I'm filing an amended return?

You may send an amended return any time within two years of the original filing date. A refund claim must be filed within two years of the overpayment.

Check the "AMENDED RETURN" box in the upper right of the return. Using the following instructions, complete boxes 1 through 16 of the Harvest Detail Report as if an original return were being filed. Fill in each box with the correct information, even if it is not being changed. Continue to follow the instructions for boxes 16A, 16B, and the Small Harvester Election Return.

Extensions

You may request an extension of time to file returns. The request must be made in writing and you must state the reason for the request. The request must be postmarked no later than the due date of the return. The department may grant up to thirty days from the due date in which to FILE THE RETURN. This is only an extension to file. **It does not extend the time to pay.**

When you file, attach a copy of your approved extension to the front of your return.

FILING INSTRUCTIONS

Harvest Detail Report

Please check the preprinted information on the return. If any items are inaccurate, print the correction under that item. **DO NOT white out any information on the return.**

First complete the Harvest Detail Report on the **back** of the return. **Complete a separate detail page for each permit where harvest occurred.** If more detail report forms are needed, photocopy the back page of the return.

Box 1. The Business Identification Number (BIN) located at the top of your return is your account number and will be the same each year. Please refer to this number on any correspondence or in phone calls.

Box 2. Enter the entire Department of Forestry Notification of Operations (permit) number for each harvest operation. This number is on line 18 on the front of your return.

Box 3. Assign a page number to each Harvest Detail Report.

Column 4. Enter the **name and city** of each mill or other conversion center where your product was delivered and sold. If a mill or conversion center purchased part of your product by the MBF and part by the ton, be sure to list them on separate lines. If you do not have enough space to list all of the mills, make a photocopy of this harvest detail page and list additional mills on the photocopy.

Columns 5 and 6. In column 5, enter the quantity of timber harvested which was sold by the MBF. Use net and/or "adjusted gross" volume to figure total volume harvested. Report net harvest volume in MBF eastside short log scale. If logs have been scaled by westside long log rules, multiply that volume by 1.28 to convert to short log scale. To convert board feet (BF) to MBF divide by 1,000—(11,499 board feet ÷ 1,000 = 11.499 MBF).

In column 6, enter the quantity of timber harvested which was sold by the ton. **Round** MBF and/or tons to the nearest whole number. For example:

$$11,499 \text{ BF} = 11.499 \text{ MBF} = 11 \text{ MBF}$$

$$22,500 \text{ Tons} = 23 \text{ Tons}$$

Column 7. Enter **total amount paid** (owner's share plus logger's share) by each mill or other conversion center before any deductions, such as logging or hauling.

Box 11. Enter the dollar amount you paid to the logger. Do not include non-allowable costs. **Non-allowable costs include site preparation, planting, road construction, logging damage, and timber taxes.** If you did your own logging, enter zero. Check the box if you had a written contract with the logger.

Box 12. MBF Logging Cost. Multiply the total MBF in box 8 by the MBF Logging Cost Rate preprinted on the form. Enter the result in box 12.

Box 13. TON Logging Cost. Multiply the total tons in box 9 by the TON Logging Cost Rate preprinted on the form. Enter the result in box 13.

Box 15. Did you have a written contract for logging? If so, enter the **larger** of box 11 or 14 in box 15. If you use the amount in box 11, **you must attach a copy of your contract** with your return. The contract must be signed by both parties and include logging costs that can be verified. Log purchase agreements, payment vouchers, invoices, or copies of purchase orders are not considered valid contracts. If you did not have a **written** contract, you must use department costs. Enter the amount from box 14 in box 15.

Box 16. Compute TAXABLE VALUE. Subtract the amount in box 15 from the amount in box 10 and enter in box 16. If zero or less, enter -0-. **Do not enter a negative <-> amount.** Transfer this "Taxable Value" to column 23 on the corresponding permit line on the front of the return.

Amended returns only. Complete boxes 16A and 16B. Otherwise skip to column 17.

Box 16A. Enter amount from box 16 of your **prior** small harvester return or box 23 of your **prior** standard return.

Box 16B. Subtract box 16A from box 16 of your **amended** return. Put brackets < > around the amount if it is negative. Transfer this “difference” to column 23 on the front of the return.

Small Harvester Election Return

Column 17. Enter the detail page number you assigned to this harvest (box 3 of the Harvest Detail Report).

Column 18-22. For additional areas of harvest operation not already listed, enter the entire Department of Forestry Notification of Operations (permit) number, county code, township, range, and section.

If you have any additional permit(s) that are not printed on the return, please attach a copy.

Note: For amended returns, complete columns 17 through 22 for only those forestry permits that are changed. This information was on your prior (original) return.

Column 23. Enter taxable value amounts in column 23. If you have additional pages (Form 304A), also enter those taxable value amounts in column 23 on these forms. If zero or less, enter -0-. **Do not enter a negative <-> amount.**

Box 24. Add all the amounts in column 23. Be sure to include all amounts from column 23 on all pages of Form(s) 304A (if you have any). Enter the total in box 24. If zero or less, enter -0-. **Do not enter a negative <-> amount.**

Box 25. Multiply box 24 by the Tax Rate preprinted on the form and enter the result in box 25.

Box 26. Enter any quarterly estimated payments or other prior payments.

Note: For amended returns, **do not enter any prior payments** in box 26.

Boxes 27 and 28. Subtract box 26 (prior payments) from box 25 (tax). If the result is positive, enter it in box 27 (tax due with this return). If the result is negative, enter it in box 28 (overpayment).

Note: If you have an overpayment, the department will compute and pay interest on your refund.

Box 29. Compute a penalty if you:

- Mail your tax payment after the due date (even if you have a filing extension).
- File your return showing a tax due (box 27) after the due date.

The penalty for filing or paying late is five percent of the unpaid balance of your tax. If you file more than three months late, the penalty is 25 percent of box 27.

Note: For amended returns, you do not have to pay a penalty if **all** additional tax and interest are paid with your amended return.

Box 30. To compute interest: multiply the number of days late **times** the daily interest rate (printed on the form) **times** the tax due in box 27.

Note: For amended returns, compute interest from the original due date of the return.

Box 31. TOTAL PAYMENT. Add boxes 27, 29, and 30. Enclose this amount with your return.

Sign, date and mail your return to the Department of Revenue. If the tax due with this return (box 27) is less than \$10, no payment is due. However, you **still must** file a return.

Questions?

For assistance with filing or amending your returns, refer to the assistance schedule for the nearest office location.

Telephone: Salem 503-378-4988
Toll-free within Oregon 1-800-356-4222

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA): This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

For general tax information: www.dor.state.or.us

Asistencia en español. Llame al 503-945-8618 en Salem.

Mail all payments, forms, and correspondence to:

**Timber Tax Programs
Oregon Department of Revenue
PO Box 14003
Salem OR 97309-2502**

**Remember to sign and date your return before filing.
KEEP A COPY OF THE RETURN FOR YOUR FILES!**