

# Montana Department of Revenue



## Forest Lands

### 1. What is included under the term “natural disaster”?

Section 15-44-104, MCA, covers “forest lands upon which, at any time after December 31, 1993, trees are destroyed by fire, disease, insect infestation, or other natural disaster . . . .”

### 2. Which section of law provides for the reduction in valuation on forest lands destroyed by natural disaster?

Section 15-44-104, MCA

### 3. If eligible for the reduction, will I obtain the reduction this tax year?

No, the first year of the reduction begins with the first full tax year after the natural disaster.

### 4. Is there an application deadline?

Yes, forest land owners must complete Form AB-26. Form AB-26 is available at all local Department of Revenue offices or it can be downloaded from the Department of Revenue website <http://mt.gov/revenue/formsandresources/forms.asp>. At the DOR website, the form can be found under “Property Tax Forms.” While the AB-26 can be completed at any time following the loss, to be eligible for the reduction on their 2007 tax bill the deadline for completing and submitting Form AB-26 is the first Monday in June, 2008 or within 30 days of receipt of their property tax assessment, whichever is later.

### 5. What are the criteria that must be met for the forest land to receive the 50% reduction in assessed valuation?

To qualify for the relief, the land impacted by the disaster must have been classified by the Department as commercial forest land prior to the loss. Criteria used by the department when determining eligibility for the property tax relief includes:

- A. The forest land affected must be 15 contiguous acres or larger in size and under one ownership;
- B. The forest land affected must contain at least 10 percent stocking of live trees prior to the natural disaster;
- C. The forest land affected must contain 10 percent stocking or less of live trees after the occurrence of the natural disaster; and
- D. The applicant has timely filed the request for valuation review (AB-26), and the natural disaster occurred after December 31, 1993.

**6. What does the terminology “will not meet the minimum stocking requirements” mean?**

The minimum stocking requirement for forested land to be taxed as Forest Land by the Department of Revenue is that the land must contain at least 10 percent stocking of live trees as determined by the Department of Revenue.

**7. What is the extent of the reduction?**

Eligible properties will receive a 50% reduction in assessed value for 20 tax years beginning the first full tax year following the natural disaster.