

Chapter 14. Sources of Tax Assistance

There are many sources of tax assistance available to you. The IRS taxpayer assistance program, for example, has trained personnel answering toll-free taxpayer service phones to deal with many tax questions. Also, there are IRS and other publications dealing with Federal taxation in general, and with the tax treatment of forest-related activities specifically. If you have access to the Internet, there are many helpful sites, including one totally devoted to timber tax matters.

IRS PUBLICATIONS

The IRS maintains a comprehensive taxpayer publications program designed to provide you with up-to-date tax information. No IRS publication deals specifically with timber, however. This publication supplements the IRS taxpayer publications by compiling the tax information directly impacting forest landowners. The IRS publications providing the general tax background needed to handle timber transactions are cited in the text of this handbook. Single copies of IRS publications can be obtained at no charge from the IRS.

The following IRS publications contain background information that may be helpful in understanding the tax treatment of timber activities.

Publication Number	Title
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1	<i>Your Rights as a Taxpayer</i>
5	<i>Appeal Rights and Preparation of Protests for Unagreed Cases</i>
17	<i>Your Federal Income Tax</i>
216	<i>Conference and Practice Requirements</i>
225	<i>Farmer's Tax Guide</i> (A comprehensive guide for farmers. This publication contains much information about timber transactions.)

Publication Number	Title
334	<i>Tax Guide for Small Business</i> (A comprehensive guide for owners of small corporate and noncorporate businesses. Few timber transactions are discussed.)
448	<i>Federal Estate and Gift Taxes</i>
463	<i>Travel, Entertainment, Gift, and Car Expenses</i>
501	<i>Exemptions, Standard Deduction, and Filing Information</i>
505	<i>Tax Withholding and Estimated Tax</i>
526	<i>Charitable Contributions</i>
527	<i>Residential Rental Property</i>
529	<i>Miscellaneous Deductions</i>
533	<i>Self-Employment Tax</i>
534	<i>Depreciating Property Placed in Service Before 1987</i>
535	<i>Business Expenses</i>
536	<i>Net Operating Losses</i>
537	<i>Installment Sales</i>
538	<i>Accounting Periods and Methods</i>
541	<i>Partnerships</i>
542	<i>Corporations</i>
544	<i>Sales and Other Dispositions of Assets</i>
547	<i>Casualties, Disasters, and Thefts (Business and Nonbusiness)</i>
550	<i>Investment Income and Expenses</i>
551	<i>Basis of Assets</i>

Publication Number	Title
552	<i>Recordkeeping for Individuals</i>
556	<i>Examination of Returns, Appeal Rights, and Claims for Refund</i>
559	<i>Tax Information for Survivors, Executors, and Administrators</i>
561	<i>Determining the Value of Donated Property</i>
584	<i>Nonbusiness Disaster, Casualty, and Theft Loss Workbook</i>
587	<i>Business Use of Your Home</i>
589	<i>Tax Information on S Corporations</i>
594	<i>Understanding the Collection Process</i>
598	<i>Tax on Unrelated Business Income of Exempt Organizations</i>
909	<i>Alternative Minimum Tax for Individuals</i>
910	<i>Guide to Free Tax Services</i>
924	<i>Reporting of Real Estate Transactions to IRS</i>
925	<i>Passive Activity and At-Risk Rules</i>
946	<i>How to Depreciate Property</i>
950	<i>Introduction to Estate and Gift Taxes</i>

COMMERCIAL TAX SERVICES

The following companies publish comprehensive Federal income tax information that is updated weekly. Many public libraries receive these publications, which discuss timber transactions under the applicable Internal Revenue Code (Code) sections.

- Commerce Clearing House, Inc., 4025 W. Peterson Avenue, Chicago, IL 60646, publishes

“Standard Federal Tax Reporter.”

<http://www.cch.com>

- Research Institute of America, Inc., 90 Fifth Avenue, New York, NY 10011, publishes “Federal Tax Coordinator.” <http://www.riatax.com>
- West Group, 610 Opperman Drive, Eagan, MN 55164-0779, publishes cases and citator services. <http://www.westgroup.com>

THE INTERNET

A Timber Tax Internet site is maintained by the Purdue University Department of Forestry and Natural Resources in cooperation with the USDA Forest Service. The address is <http://www.fnr.purdue.edu/ttax>. IRS developments, forms, publications, and a wealth of other information are available at the IRS site, <http://www.irs.ustreas.gov/>. There are literally hundreds of other Internet sites that may be of interest.

CURRENT DEVELOPMENTS

- National Woodlands, published quarterly by the National Woodland Owners Association, has a timber tax column in each issue authored by William C. Siegel. The magazine also provides tax legislative updates. The address is 374 Maple Ave. E., Suite 210, Vienna, VA 22180-4751.
- Forest Landowner, published by the Forest Landowners Association, P.O. Box 95385, 4 Executive Park East NE, Atlanta, GA 30347, is a magazine published six times per year. The November/ December issue is devoted to financial and economic topics, including timber tax developments. Harry L. Haney, Jr., the primary tax author, addresses timber tax questions from landowners in every issue. All issues also provide legislative updates.
- Tree Farmer magazine, published by the American Forest Foundation, Suite 780, 1111 19th Street NW, Washington, DC, 20036, includes regular updates of tax developments authored by William L. Hoover and in-depth discussions of relevant topics on a periodic basis.

GUIDEBOOKS

- Christmas Tree Taxation Manual, by Vernon L. Bowlby, CPA, Bowlby Publishing Company, Inc., 310 NW 5th Street, Suite 103, Corvallis, OR 97330, featuring a looseleaf service and related materials available from the author, provides a comprehensive guide to the tax treatment of Christmas trees and an associated record-keeping system.
- Timber Tax Management for Tree Farmers, by William L. Hoover, is published by Department of Forestry and Natural Resources, Purdue University, West Lafayette, IN 47907-1159. It also is available from the American Forest Foundation, Suite 780, 1111 19th Street NW, Washington, DC, 20036. This is a looseleaf timber tax guide that is updated annually. The basic tax considerations of forest landowners and strategies are covered. Comprehensive examples and associated filled-out tax forms are included.
- Essentials of Forestry Investment Analysis, by John E. Gunter and Harry L. Haney, Jr., is available from the Oregon State University Book Stores, Inc., P.O. Box 489, Corvallis, OR 97339. This book describes the discounted cash flow procedures used to analyze forest investments on a before- and after-tax basis. Procedures for accounting for the effects of inflation also are described.
- Financial Record Book for Timber Growers, by Jeffrey C. Stier and Peter K. Dederich, is available from the Department of Forestry, University of Wisconsin-Madison, Madison, WI 53706. This looseleaf book demonstrates each of the accounts associated with timber investments and the applicable tax law. Blank forms are included.
- Federal Income Tax Strategies for Timber Owners, written by Harry L. Haney, Jr., and William C. Siegel, is a looseleaf work-reference book. Updated annually, it includes timber examples and filled-out tax forms. It was produced by the University of Georgia Center for Continuing Education and is available through the University of Georgia, Athens, GA.
- Virginia Forests, published quarterly by the Virginia Forestry Association, has a "Taxing Questions" column written by Harry L. Haney, Jr., in each issue. The magazine also provides legislative updates. The address is 8810 B Patterson Avenue, Richmond, VA 23229-6322. Other State forestry associations have magazines that provide tax and legislative updates.

