

Schedule F Capital Returnable Through Depletion

On lines 27 through 42, give the data for each timber account separately. Cover any changes that have taken place during the tax year. Attach as many additional pages of this schedule as needed. If you deplete on the block basis, combine new purchases with the opening balances and use

the average depletion rate shown on line 34 for all timber cut or sold, regardless of how long held. If you express timber quantity in MBF, log scale, name the log rule used ▶

	(a) Quantity in MBF, log scale; cords; or other unit ¹	(b) Cost or other basis
27 Name of block and title of account ▶		
28 Estimated quantity of timber and amount of capital returnable through depletion at end of the immediately preceding tax year		
29 Increase or decrease of quantity of timber required by way of correction ²		
30a Addition for growth (period covered ▶ years)		
b Transfers from premerchantable timber account		
c Transfers from deferred reforestation account		
31 Timber acquired during year		
32 Addition to capital during year ³		
33 Total at end of year, before depletion (add lines 28 through 32, in each column)		
34 Unit rate returnable through depletion, or basis of sales or losses (line 33, column (b), divided by line 33, column (a))		
35 Quantity of timber cut during year		
36 Depletion sustained (line 34 multiplied by line 35)		
37 Quantity of standing timber sold or otherwise disposed of during year		
38 Allowable as basis of sale (line 34 multiplied by line 37)		
39 Quantity of standing timber lost by fire or other cause during year		
40 Allowable basis of loss (line 34 multiplied by line 39)		
41 Total reductions during year:		
a Add line 35, column (a); line 37, column (a); and line 39, column (a).		
b Add line 36, column (b); line 38, column (b); and line 40, column (b).		
42 Net quantity and value at end of year (line 33, column (a) less line 41a, column (a); and line 33, column (b) less line 41b, column (b)).		

¹ If MBF, log scale, is not the unit used, state what unit you used and explain it.
² Adjust the quantity in MBF, log scale, or other unit remaining at the end of the year for changes in reinventory, standards of use, scattered and/or indefinitely ascertained losses, inaccuracy of the former estimate, or change in the log scale if the log rule now in use differs from the one used as basis for depletion in earlier years. If you make a change, clearly state the basis for it.
³ Analyze the addition to show the individual items included. Include expenditures for taxes, administration, protection, interest actually paid, etc., if you did not treat these expenditures as expense deductions on your return. Carry expenditures for reforestation, such as site preparation, planting, seeding, etc., in a separate deferred account.

<p>43 Quantity of cut timber that was sold as logs or other rough products</p> <p>44 Are you electing, or have you made an election in a prior tax year that is in effect, to report gain or loss from the cutting of timber in accordance with section 631(a)? (This election is binding for all eligible timber cut in the election year and all subsequent years. You may revoke the election only with IRS consent, unless you made the election for a tax year beginning before 1987.) <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," furnish the information asked for in items 45 through 51.</p> <p>45 Gain or loss on standing timber as reported on Form 4797, Sales of Business Property. Show the adjusted basis for depletion and the fair market value, by species and unit rates if reported on a species basis. Section 631(a) requires you to determine the fair market value of timber cut during the year for timber you owned, or held under contract right to cut, for more than 1 year. The fair market value is the value of the timber as it stood in the forest on the first day of the tax year.</p>	<p>46 Furnish the date of acquisition of timber that was cut in the tax year, if acquired after March 1, 1913; the quantity of timber remaining (adjusted for growth, correction of estimates, changes in use, and any change in the log rule used); and the adjusted basis at the beginning of the tax year. State the acreage cut over and the amount of timber cut from it during the tax year and the log rule or other method you used to determine the quantity of timber cut. If you kept depletion accounts by separate tracts or purchases, give the information separately for each tract or timber purchase. If you used an average depletion rate based on the average value or cost of a timber block in earlier years, the adjusted basis referred to in section 631(a) is the average basis shown on lines 34, after adjustment.</p> <p>47 Describe in detail the characteristics of the timber that affect its value, such as total quantity, species, quality, quantity per acre, size of the average tree, logging conditions, distance to markets, and the like.</p>
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Schedule F Capital Returnable Through Depletion (continued)

- 48 Give evidence in the form of actual sales of comparable timber as of the valuation date, along with other value evidence used. Include a computation showing the difference between the cost (excluding timber or stumpage cost) and value of the primary wood product (logs or other roundwood, chips, etc.) at the mill or plant. Give detailed evidence that permits a comparison with the timber on which you report a value.
- 49 For all purchases and sales of timber you make, and for all other transactions you report, furnish the relevant information from lines 2 through 20.
- 50 Furnish the following additional information:
 - a. Location of the sawmill, log market, or other point of delivery of the logs or wood to the user or buyer.
 - b. The total MBF, log scale, cords, or other units of timber cut, and the length and diameter of the average log or the average number of units per tree.
 - c. The percentage of rough lumber grades, by species, manufactured from the timber during the year; or, if cut timber is sold as logs, the percentage of log grades, by species.
- 51 Section 631(a) applies only to timber owned, or held under a contract right to cut, for a period of more than 1 year. In your records show the quantity of timber cut that you held for more than 1 year. Show separately the quantity of timber cut that was held for less than 1 year. Also, the scale of logs purchased during the year must be shown by species and quantity and excluded from the quantity shown as cut under section 631(a). Records must also show the number, cost, and point of delivery of purchased logs by species and grade.

Schedule G Land Ownership

52 Show changes in land accounts as carried on your books. Attach as many additional sheets as you need, following the format of lines 53 through 58.

53 Name of block and title of account ▶	Acres	Total cost or other basis. Give amount of March 1, 1913, appreciation, if included	Average rate per acre
54 Balance at beginning of year			
55 Acquisitions during year			
56 Sales during year			
57 Other changes			
58 Balance at end of year (add lines 54 and 55, less lines 56 and 57)			

Schedule H Road Construction Cost (Optional)¹

59 Report on lines 60 and 61 the expenditures incurred for road construction during the tax year. Use a separate schedule for each depletion account, block, tract, or geographic area tributary to a mill or mill complex.

60 Roads constructed on lands owned in fee:	
a Miles constructed ▶	
b Amount capitalized to nondepreciable account	
c Amount placed in depreciation account	
d Amount claimed as an ordinary expense	
e Total amount spent (add lines 60b through 60d)	
61 Roads constructed for logging timber held under leases or cutting contracts having a term of 2 years or longer:	
a Miles constructed ▶	
b Amount to be amortized	
c Amount claimed as an ordinary expense	
d Total amount spent (add lines 61b and 61c)	

Schedule I Drainage Structures (Optional)¹

62 Report expenses incurred during the tax year for construction of water level control devices such as ditches and canals. List each kind of structure separately for each depletion account, block, tract, or geographic area tributary to a mill or mill complex:	
a Kind of structure ▶	
b Miles constructed ▶	
c Purpose of structure ▶	
d Amount capitalized to nondepreciable account	
e Amount placed in depreciable or amortizable account	
f Amount reported as an ordinary expense	
g Total amount spent (add lines 62d through 62f)	

¹ Include separate cost accounts for construction by you and by the contractor. If the supporting statements for Schedules H and I are too numerous to file with your return, keep this information and make it available if your return is examined.

