

# VIRGINIA ACTS OF ASSEMBLY -- 1998 SESSION

## CHAPTER 420

*An Act to amend and reenact §§ 10.1-1176, 58.1-1604, 58.1-1605 and 58.1-1609 of the Code of Virginia, relating to the forest products tax.*

[H 657]

Approved April 12, 1998

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 10.1-1176, 58.1-1604, 58.1-1605 and 58.1-1609 of the Code of Virginia are amended and reenacted as follows:**

§ 10.1-1176. When provisions of article effective.

This article shall not be effective during any biennium for which the General Assembly fails to appropriate from the state general fund a sum which equals or exceeds ~~the estimate of the total revenue revenues to be collected from the forest products tax for the reforestation of timberland activity for a biennium immediately preceding two years; a report of such sum shall be~~ submitted by the State Forester to the Governor on or before November 1 of the last year of the preceding biennium.

§ 58.1-1604. Tax rates.

The tax hereby imposed shall be assessed at the following rates:

1. On pine lumber in its various sizes and forms, including railroad switch ties, bridge timber, and dimension stock, the rate per 1000 board feet measure shall be \$1.15; *or at the election of the taxpayer, 20¢ per ton of logs received.*

2. On hardwood, cypress and all other species of lumber the rate per 1000 board feet measure shall be 22 1/2¢; *or at the election of the taxpayer, 4¢ per ton of logs received.*

3. On timber sold as logs and not converted into lumber or other products in the Commonwealth, the rate per 1000 feet log scale, International 1/4" Kerf Rule, shall be \$1.15 on pine; and 22 1/2¢ on other species; *or at the election of the taxpayer, 20¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

4. On logs to be converted into veneer the rate per 1000 board feet log scale, International 1/4" Kerf Rule, shall be \$1.15 for pine and 22 1/2¢ for other species; *or at the election of the taxpayer, 20¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

5. On pulpwood, excelsior wood, chemical wood, bolts or billets, fuel wood, tanbark, and other products customarily sold by the cord, the rate per standard cord of 128 cubic feet shall be 47 1/2¢ for pine, 11 1/4¢ per cord on all other species; *or at the election of the taxpayer, 20¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

6. On chips manufactured from roundwood and customarily sold by the pound, the rate per 100 pounds shall be 0.986¢ for pine, and 0.234¢ for other species.

7. On railroad crossties the rate per piece shall be 3 8/10¢ on pine, and one cent on all other species; *or at the election of the taxpayer, 20¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

8. On posts, mine ties, mine props, round mine collars, and other types of timber used in connection with mining and ordinarily sold by the piece, the rate per 100 pieces shall be as follows: 38 for pine, and 9 for other species, where each piece is 4' or less in length; 61 3/4¢ for pine and 14 1/4¢ for other species, where each piece is more than 4' but not over 8' in length; and 76¢ for pine and 18¢ for other species, where each piece is more than 8' in length. If the taxpayer so elects he may pay the taxes due on the above forest products at the rate of \$1.045 for pine and 24 3/4¢ for other species, per 1000 lineal feet; *or at the election of the taxpayer, 20¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

9. On piling and poles of all types the rate shall equal 2.31 percent of invoice value f.o.b. loading out point; *or at the election of the taxpayer, 20¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

10. On keg staves the rate per standard 400-inch bundle shall be 3 8/10¢ for pine and 1 1/2¢ for other species; the rate per 100 keg heads shall be 11 5/10¢ on pine and 4 1/2¢ for other species; and on tight cooperage, 4 1/2¢ per 100 staves and 9¢ per 100 heads; *or at the election of the taxpayer, 20¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

11. On any other type of forest product not herein enumerated, severed or separated from the soil, the Commissioner shall determine a fair unit tax rate, based on the cubic foot wood volume relationship between the product and the cubic foot volume of 1000 feet board measure of pine when the product is pine, or on the unit rate of cedar or hardwood lumber when the product is a species other than pine.

§ 58.1-1605. Alternative for rates.

On or before November 1, in the last year of each biennium, the State Forester shall submit to the

Governor ~~an estimate a report of the total revenue revenues to be~~ collected from the forest products tax for the ~~next biennium immediately preceding two years~~. If the General Assembly fails to appropriate for such next biennium from the general fund for the reforestation of timberland activity a sum which equals or exceeds such ~~estimate revenues~~, the tax hereby imposed shall, beginning on July 1 of such next biennium, be at the rates set forth below. Such rates shall remain in effect until an appropriation from the general fund for any biennium equals or exceeds the ~~estimate of revenue to be revenues~~ actually collected from this tax for ~~that the immediately preceding biennium~~ at the rates imposed by § 58.1-1604.

1. On pine lumber in its various sizes and forms, including railroad switch ties, bridge timber, and dimension stock the rate per 1000 board feet measure shall be 15¢; *or at the election of the taxpayer, 2 6/10¢ per ton of pine logs received.*

2. On hardwood, cypress, and all other species of lumber the rate per 1000 board feet measure shall be 22 1/2¢; *or at the election of the taxpayer, 4¢ per ton of logs received.*

3. On timber sold as logs and not converted into lumber or other products in this Commonwealth, the rate per 1000 log feet scale, International 1/4" Kerf Rule, shall be 15¢ on pine and 22 1/2¢ on other species; *or at the election of the taxpayer, 2 6/10¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

4. On logs to be converted into veneer the rate per 1000 board feet log scale, International 1/4" Kerf Rule, shall be 15¢ for pine, and 22 1/2¢ for other species; *or at the election of the taxpayer, 2 6/10¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

5. On pulpwood, excelsior wood, chemical wood, bolts or billets, fuel wood, tanbark, and other products customarily sold by the cord, the rate per standard cord of 128 cubic feet shall be 7 1/2¢ for pine and 11 1/4¢ per cord on all other species; *or at the election of the taxpayer, 2 6/10¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

6. On chips manufactured from roundwood and customarily sold by the pound, the rate per 100 pounds shall be 0.156¢ for pine and 0.234¢ for other species.

7. On railroad crossties, the rate shall be one-half cent per piece on species of pine and one cent per piece on all other species; *or at the election of the taxpayer, 2 6/10¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

8. On posts, mine ties, mine props, round mine collars, and other types of timber used in connection with mining and ordinarily sold by the piece, the rate per 100 pieces shall be as follows: 6¢ for pine and 9¢ for other species, where each piece is 4' or less in length; 9 3/4 for pine and 14 1/4 for other species, where each piece is more than 4' in length but not over 8' in length; and 12¢ for pine and 18¢ for other species, where each piece is more than 8' in length. If the taxpayer so elects he may pay the taxes due on the abovementioned forest products at the rate of 16 1/2 per 1000 lineal feet for pine and 24 3/4 for other species; *or at the election of the taxpayer, 2 6/10¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

9. On piling and poles of all types the rate shall equal two-sevenths of one percent of invoice value f.o.b. loading out point; *or at the election of the taxpayer, 2 6/10¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

10. On keg staves the rate per standard 400-inch bundle shall be 1 1/2; the rate per 100 keg heads shall be 4 1/2; and on tight cooperage, 4 1/2 per 100 staves and 9 per 100 heads; *or at the election of the taxpayer, 2 6/10¢ per ton of pine logs received; and 4¢ per ton of logs of other species received.*

11. On any other type of forest product not herein enumerated, severed or separated from the soil the Commissioner shall determine a fair unit tax rate, based on the cubic foot wood volume relationship between the product and the cubic foot volume of 1000 board feet measure of pine lumber when the product is pine or on the unit rate of hardwood lumber when the product is a species other than pine.

§ 58.1-1609. Payment, collection, and disposition of tax.

A. All taxes collected by the Department pursuant to § 58.1-1604 shall be paid into the state treasury. The Comptroller shall credit as special revenues, to the "Reforestation of Timberlands State Fund" of the Department of Forestry the following amounts on forest products of pine:

1. One dollar per 1,000 board feet measure on lumber; *or at the election of the taxpayer, 17 4/10¢ per ton of logs received;*

2. One dollar per 1,000 board feet log scale, International 1/4" Kerf Rule, on logs not converted into lumber or other products in this Commonwealth; *or at the election of the taxpayer, 17 4/10¢ per ton of logs received;*

3. One dollar per 1,000 board feet log scale, International 1/4" Kerf Rule, on logs to be converted into veneer; *or at the election of the taxpayer, 17 4/10¢ per ton of logs received;*

4. Forty cents per standard cord on pulpwood, excelsior wood, chemical wood, bolts or billets, fuel wood, tanbark, and other products customarily sold by the standard cord; *or at the election of the taxpayer, 17 4/10¢ per ton of logs received;*

5. Eighty-three hundredths cent per 100 pounds of chips manufactured from roundwood;

6. Three and three-tenths cents per piece on railroad crossties; *or at the election of the taxpayer, 17 4/10¢ per ton of logs received;*

7. On posts, mine ties, mine props, round mine collars, and other types of timber used with mining and ordinarily sold by the piece:

- a. Thirty-two cents where each piece is four feet or less in length;
  - b. Fifty-two cents where each piece is more than four feet but not over eight feet in length;
  - c. Sixty-four cents where each piece is more than eight feet in length; ~~or~~
  - d. Eighty-eight cents per 1,000 lineal feet where sold on the lineal feet basis; *or*
  - e. *At the election of the taxpayer, 17 4/10¢ per ton of logs received;*
8. Two and two-hundredths percent of invoice value f.o.b. loading out point on piling and poles; *or at the election of the taxpayer, 17 4/10¢ per ton of logs received;*
9. Three and three-tenths cents per standard 400-inch bundle of keg staves; *or 17 4/10¢ per ton when the taxpayer has elected to pay tax on the basis of weight of logs received;*
10. Ten cents per 100 on keg heads; *or at the election of the taxpayer, 17 4/10¢ per ton of logs received;* and

11. A proportionate amount between total tax paid per item as specified in § 58.1-1604 and the rate per item above set forth on any other type of forest product not herein enumerated.

B. All special revenues deposited into the "Reforestation of Timberlands State Fund" shall be used for the sole purpose of reforesting privately owned timberlands in the Commonwealth as provided in Article 10 (§ 10.1-1170 et seq.) of Chapter 11 of Title 10.1. No portion of the revenues shall revert to the general fund of the Commonwealth at the end of any fiscal year.

C. The remainder of the tax shall be cited by the Comptroller, as special revenues, to the "Protection and Development of Forest Resources of the State Fund" of the Department of Forestry for expenditure for the protection and development of the forest resources in accordance with law. Such funds shall be used for the sole purpose of raising, planting, and propagating seedling trees, both hardwood and softwood, forest fire protection, forestry education of the public in the use of forest harvesting methods, and rendering forestry service to the timber landowners of the Commonwealth. No portion of such special revenues shall revert to the general fund of the Commonwealth at the end of any fiscal year.

D. The Tax Commissioner shall apportion the cost of collecting taxes deposited in the "Reforestation of Timberlands State Fund" and the "Protection and Development of Forest Resources State Fund" based on the proportion of the tax deposited in each fund. Each fund shall pay to the Department of Taxation its apportioned collection cost.