



WV Woods

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WV Woodland Owners Annual Meeting

In late September, the WV Woodland Owners Association annual meeting was held in Elkview, WV. About 30 people attended including members, speakers, and guests.

Darrell Pendris, Executive Director of the National Woodland Owners Association (NWOA) based out of Vienna, Virginia, talked to the group about the NWOA and its important role in unifying landowners. According to Pendris, NWOA gives landowners a greater political voice in local, state, and federal government. These political arenas are where discussions take place about policies that affect forest and woodland management on private lands. NWOA serves its members by tracking and participating in the formation of important rules and regulations related to private lands.

WV WOA member and chair-elect, Buck Chestnut hosted a tour of his Kanawha County property following lunch and other indoor presentations on woodland related cost-share programs, carbon credits, and Christmas trees.

It was evident that Buck has put a lot into his property to improve the quality of timber and wildlife habitat. On the field tour, the first stop was to view a crop-tree release area and discuss the benefits of this activity.

In subsequent stops, Buck showed us areas where he had turned a generally unproductive powerline right-of-way (ROW) into a very productive area for wildlife. Under an agreement with the power company, Buck maintains the ROW by mowing wild areas and has planted cultivated grapes and shrubs that are beneficial to the wildlife species he values.

We ended the trip down at Buck's work shed above which is one of his many hunting blinds. Our gracious tour guide, perfect weather, and friendly participants made for an excellent woodland tour.

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Indoor presentation: Luke Hunter (NRCS) explaining EQIP cost-share assistance



Field Tour: Group discussing grape and shrub plantings along the well-managed powerline

Tax Tips for Forest Landowners for the 2010 Tax Year

This information comes from the USDA Forest Service Management Bulletin R8-MB 136 that provides tax tips for woodland owners and their tax advisors in the preparation of the 2010 individual tax return. It is current as of September 15, 2010. Please be aware that the information is not legal or accounting advice. Consult your legal and tax advisors for more complete information. This information is only a summary of the full document, which can be found at:

<http://www.fs.fed.us/spf/coop/library/taxtips10.pdf>

Timber as Personal, Investment, or Business

Property: The tax rules vary depending on whether your woodland is personal, income-producing (investment), or business property.

Example 1: You grow timber for profit and asset appreciation, but do treat this activity as a business. Your woodland is considered an investment property.

Example 2: You manage your timber as the sole proprietor of a business. You keep business records, including the number of hours of your participation in the business to establish that you materially participate in its operation. Your woodland is a business property for tax purposes.

Timber Management Expenses: If you have a profit motive for your woodland, you can deduct ordinary and necessary timber management expenses, such as costs incurred to protect the woodland from insects, disease or brush; control brush; or conduct a precommercial thinning or mid rotation fertilization. Management expenses for property held as an investment are subject to a 2% of adjusted gross income (AGI) reduction on Schedule A. In contrast, expenses for business property may be deducted in full on Schedule C. You may add to your timber basis expenses subject to the 2% AGI reduction and recover them when you sell the timber.

Cost-share Payments: Sec. 126 allows recipients of payments from approved public cost-share programs to exclude all or part of the payments from their income. Approved federal programs include the Forest Health Protection Program, the Conservation Reserve Program, Environmental Quality Incentives Program, Wildlife Habitat Incentives Program, and Wetlands Reserve Program. Approved state programs also qualify.

The excludable amount is the present value of the greater of \$2.50 per acre or 10% of the average annual income over the last 3 years.

Example: You receive a \$4,000 cost-share from the Conservation Reserve Program for your 100-acre woodland. Assuming no income from the property in the last 3 years, you can exclude **\$3,275** ($(\$2.50 \times 100 \text{ acres}) / \text{divided by } 7.63\%$). The interest rate is from the Farm Credit System Bank. If you had \$9,600 income from the property, you could exclude the entire cost-share: $(10\% \times (\$9,600/3)) / 7.63\% = \$4,194 > \$4,000$. Attach a statement to your tax return describing the cost-share program and your calculations.

 Other topics that can be found in the original document include:

- Timber Sales
- Installment Sales
- Timber Basis and Depletion
- Reforestation Costs
- Depreciation, Bonus Depreciation, and First Year Expensing
- Casualty and Theft Losses

This article was adapted from a bulletin written by Linda Wang, National Timber Tax Specialist & John L. Greene, Research Forester, at the Southern Research Station (2010).

ID and Control of the Invasive Vine: Oriental bittersweet

Oriental bittersweet *Celastrus orbiculatus* is a deciduous woody perennial plant which grows as a climbing vine and a trailing shrub. Stems of older plants can reach 4 inches in diameter. The leaves are alternate on the stem, glossy, and egg-shaped with finely toothed margins. Female plants produce clusters of small greenish flowers. The fruits are yellow, ball-shaped capsules that at maturity split open to reveal three red-orange, "arils" that contain one or two seeds.

Oriental bittersweet infests forest edges, woodlands, and fields and can tolerate shade. It grows vigorously, climbing over and smothering vegetation, which may die from excessive shading or breakage. When bittersweet climbs up trees, the increased weight can lead to uprooting and blow-over during high winds and heavy snowfalls. Manual, mechanical and chemical control methods can all be used to remove or kill Oriental bittersweet.



Oriental bittersweet vines smothering a red oak tree



Bittersweet vines spiral around themselves and the trees and shrubs they grown on

Stewardship Training Session held at Crummies Creek: On May 4, 2010, 70 foresters, biologists, property owners and natural resource professionals attended a WV stewardship training session at Crummies Creek Tree Farm in Calhoun County hosted by NWOA Executive Director Keith Argow and forester Russ Richardson. The main emphasis of the session was on non-timber commodities, wildlife habitat improvement, forested wetlands and non-game wildlife.

Among the many speakers, Dr. Tom Pauley of Marshall University spoke about important habitats of reptiles and amphibians found in WV, Sue Olcott of the WVDNR discussed bats, bat habitat and white nose disease that is causing severe population decline in WV, and Walter Vaselka (WVU DFNR) briefed the group on the valuable nature of wetlands. Attendees left the tour with additional lessons ranging from hunting leases to ginseng, butterflies and soil dwelling creatures.



Dr. Tom Pauley discusses the attributes of many wildlife species that use rock outcrop and cave habitat

WVU Forestry Flix DVD Program:

Go to the Forestry Flix website to obtain free DVDs covering a variety of forestry and wildlife topics at: <http://www.forestryflix.com>

Upcoming Woodland-Related Educational Opportunities

Winter tree identification –

- January 27 *Pocahontas County*; contact Greg Hamons (Pocahontas Extension Agent.; 304-799-4852).
January 31 *Braxton County*; contact Debbie Friend (Braxton County Extension Agent.; 304-765-2809).
February 1 *Monroe County*; contact Brian Wickline (Monroe County Extension Agent.; 304-772-3003).
March 14 *Hampshire County*; contact Jerry Leather (Hampshire County Extension Agent.; 304-822-5013).
March 28 *Wayne County*; contact Carl Marcum (Wayne County Extension Agent; 304-272-6839).

Wood anatomy and identification –

- January 26 *Mineral County*; contact Stacey Hamric (Mineral County Extension Agent; 304-788-3621).
March 30 *Pocahontas County*; contact Greg Hamons (Pocahontas Extension Agent.; 304-799-4852).

Shiitake Mushroom Cultivation –

- February 7 *Tyler County*; contact Christy Richmond, (Tyler County Extension Agent 304-758-2021).
February 21 *Mercer County*; contact Jodi Richmond, (Mercer County Extension Agent 304-425-3079).

Mountain Roots –

- February 2 *Greenbrier County*; contact John McCutcheon (Greenbrier County Extension Agent; 304-647-7408).
February 10 *Raleigh County*; contact David Richmond (Raleigh County Extension Agent; 304-255-9321).
February 15 *Clay/Braxton Counties*; contact Michael Shamblin (Clay County Extension Agent; 304-587-4267).

For more information and other woodland related workshops go to: <http://wvstewards.ning.com>



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