



State of Washington
Department of Revenue
Forest Tax Section
PO Box 47472
Olympia WA 98504-7472
(800) 548-8829



TIMBER TAX FACTS FOR PRIVATE TIMBERLANDS IN WASHINGTON STATE

If you harvest timber from private land, you are required to register with the Department of Revenue and pay one or more of the following taxes:

Timber Excise Tax: This quarterly tax must be paid by the timber harvester on the stumpage value (typically the net amount due the timber owner after normal harvesting and marketing costs are deducted). The timber harvester is the owner of the timber and will complete the Department of Natural Resources (DNR) Forest Practice Application form as the timber owner (Block #2). This tax is due for the quarter when the timber is taken to the mill. The Washington State Department of Revenue will mail you quarterly tax returns until the permit is closed by you or the permit expires. The tax rate of the Forest Excise tax is 5%.

Extracting B&O Tax: This tax must be paid by the timber harvester (Block #2 on the DNR Forest Practice Application) on the gross value of the timber harvested. This tax is due when the gross value (including harvesting and marketing costs) of the timber harvested exceeds \$100,000.00. However, if the gross receipts from the sale of logs during the year is less than \$100,000, the harvester qualifies as a "small harvester" under the law and there is no B&O tax on the timber income. If you have other questions regarding the B&O tax, call toll free (800) 548-8829.

Real Estate Excise Tax: This tax must be paid by the landowner, but only if the timber is sold as standing timber. The tax is payable to the county treasurer at the time the real estate excise tax affidavit is filed with the county auditor.

Tax Registration

If you do not have a Forest Tax Reporting Account number, or if you have other questions about taxes on forest land and timber, call the Department of Revenue, toll free at (800) 548-8829.

For tax assistance, visit <http://dor.wa.gov>. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users may call (800) 451-7985.