



Georgia Department of Revenue

Qualified Timberland Property (QTP) Overview





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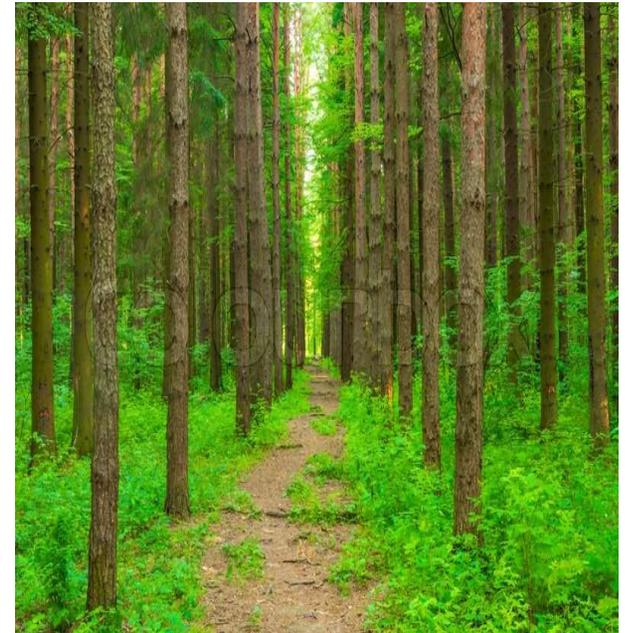
House Bill 85 and HR51

Constitutional Amendment & Enabling Legislation

November 2018 statewide referendum

Effective **January 1, 2019**

1. HR 51 was passed by the voters in November 2018 and establishes a new property class - 'Qualified Timberland Property' or QTP





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Qualified Timberland Property

- Separate and distinct class of real property
- Will be assigned it's own digest classification code
 - Most likely Q
- Fair market value determined in accordance with provisions in newly created Article 13. *(48-5-600 thru 607)*
- Assessed at 40% of such fair market value



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Qualified Timberland Property

Article 13 of Chapter 5 of Title 48

48-5-600	Definitions
48-5-600.1	Classified as separate and distinct class
48-5-601	Returned to Commissioner
48-5-602	Timberland Appraisal Manual
48-5-603	Determination of Qualified owner
48-5-604	Certification of property by Commissioner
48-5-605	Appeal of Certification and Value
48-5-606	Appeal of Manual
48-5-607	Commissioner authorized to prescribe forms and regs



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QTP O.C.G.A 48-5-600

As used in this article, the term:

- (1) 'Bona fide production of trees' means the good faith, real, actual, and genuine production of trees for commercial uses.
- (2) 'Qualified owner' means an individual or entity that meets the conditions of Code Section 48-5-603.
- (3) 'Qualified timberland property' means timberland property that meets the conditions of Code Section 48-5-604.
- (4) 'Timberland property' means tangible real property that has as its primary use the bona fide production of trees for the primary purpose of producing timber for commercial uses.



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QTP O.C.G.A 48-5-600.1

In accordance with Article VII, Section I, Paragraph III(f.1) of the Constitution of Georgia, qualified timberland property **shall be classified as a separate and distinct class of tangible property**. The procedures prescribed by this article for appraisal and valuation of such property and for appeals of the assessed value of such property shall be exclusive.



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QTP O.C.G.A 48-5-601

- (a) Qualified timberland property shall be returned to the commissioner **between January 1 and April 1 each year.**
- (b) The **fair market value of qualified timberland property shall be determined through an annual appraisal conducted by the commissioner** in accordance with the qualified timberland property appraisal manual provided for in Code Section 48-5-602.
- (c) The commissioner shall have access to qualified timberland property for the purpose of conducting appraisals, provided that prior notice has been given to the qualified owner of such property.
- (d) The commissioner shall ensure that the **appraisal values of qualified timberland property are delivered to county tax officials by July 1** of each year.
- (e) Notwithstanding anything in this chapter to the contrary, pursuant to Article VII, Section I, Paragraph III(f.1) of the Constitution, the **value of qualified timberland property shall be at least 175 percent of such property's forest land conservation value** determined pursuant to this chapter.



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QTP O.C.G.A 48-5-602

- (a) The commissioner shall adopt by rule, subject to Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act,' and **maintain a qualified timberland property appraisal manual** that shall be used by the commissioner in the appraisal of qualified timberland property for ad valorem tax purposes.
- (b) The commissioner shall provide for a period of consultation with the Georgia Agricultural Statistical Service, Cooperative Extension Service, Georgia Forestry Association, and State Forestry Commission prior to the adoption of the qualified timberland property appraisal manual.
- (c)(1) Such **manual shall be proposed and published on or before June 1, 2019**, and annually thereafter.
- (2) Published **manuals shall apply to the tax year following the tax year** in which they are published.
- (3) This annual publication requirement shall not be construed to require annual adjustments, revisions, or modifications to the appraisal methodology.
- (d) Such manual shall contain:
- (1) Complete parameters for the appraisal of qualified timberland property;
 - (2) A **table of regional values for qualified timberland property based on the geographic locations and productivity levels** within the state; and
 - (3) A prescription of methods and procedures by which identification data, appraisal and assessment data, sales data, and any other information relating to the appraisal and assessment of property shall be furnished to the department using electronic data processing systems and equipment.



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QTP O.C.G.A 48-5-603

The *commissioner shall certify as a qualified owner any individual or entity registered to do business in this state that is engaged in the bona fide production of trees for the primary purpose of producing timber for commercial uses*, provided that such individual or entity:

- (1) *Registers with the commissioner*; and
- (2) *Certifies to the commissioner* that such individual or entity is engaged in the bona fide production of trees.



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QTP O.C.G.A 48-5-604

(a) Upon application by a qualified owner, the commissioner shall certify as qualified timberland property any timberland property that is titled to a qualified owner, provided that:

(1) The timberland property is ***at least 50 contiguous acres***;

(2) The ***production of trees on the timberland property is being done for the purpose of making a profit and is the primary activity taking place on the property***;

(3) A consistent effort has been ***clearly demonstrated in land management in accordance with accepted commercial forestry practices, which may include reforestation, periodic thinning, undergrowth control of unwanted vegetation, fertilization, prescribed burning, sales of timber, and maintenance of firebreaks***; and

(4) Such qualified owner:

(A) Submits a list of all parcels to the commissioner that contain timberland property and that identify the specific portions of such parcels that such owner certifies are timberland property; and

(B) ***Certifies that such timberland property is used for the bona fide production of trees*** and that:

(i) There is a ***reasonable attainable economic salability of the timber products within a reasonable future time***; and

(ii) The ***production of trees is being done for the purpose of making a profit and is the primary activity*** taking place on the property.

(b)(1) The qualified owner's submission provided for in paragraph (4) of subsection (a) of this Code section shall be certified by the qualified owner and shall be ***updated annually filed together with such qualified owner's return*** required by subsection (a) of Code Section 48-5-601. If such conditions are not met annually, the real property at issue shall be decertified as qualified timberland property and the commissioner shall notify the respective county tax officials of such ***decertification by April 15*** of the respective year.

(2) The commissioner shall be authorized to conduct an audit of any list submitted pursuant to this Code section.

(c) The ***commissioner shall file certifications of qualified timberland property with the respective county tax officials in which any of such real property exists by April 15 each year***.



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QTP O.C.G.A 48-5-605

- (a) A taxpayer or county **board of tax assessors may appeal the commissioner's decisions** related to:
- (1) Such taxpayer's status as a **qualified owner**;
 - (2) The **certification or noncertification** of such taxpayer's timberland as qualified timberland property;
or
 - (3) The **appraised value** of such taxpayer's qualified timberland property.
- (b)(1) Such appeals shall be made as an **appeal to the Georgia Tax Tribunal** in accordance with Chapter 13A of Title 50 **within 30 days** of the commissioner's publication of such decision.
- (2) The **Georgia Tax Tribunal shall issue a final decision on such appeals on or before September 1** of the year in which an appeal is filed.



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QTP O.C.G.A 48-5-606

- (a) A **taxpayer, group of taxpayers, county board of tax assessors, or association representing taxpayers may appeal** the commissioner's decisions related to the commissioner's complete **parameters for the appraisal of qualified timberland property** required by paragraph (1) of subsection (d) of Code section 48-5-602.
- (b)(1) Such **appeals shall be made** as an appeal to the Georgia Tax Tribunal in accordance with Chapter 13A of Title 50 **within 60 days of the commissioner's publication** of such manual.
- (2) The **Georgia Tax Tribunal shall issue a final decision on such appeals on or before September 1** of the year in which an appeal is filed.



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QTP O.C.G.A 48-5-607

The commissioner shall be authorized to prescribe such forms and promulgate such rules and regulations as are necessary to implement this article."