



The Dogwood Times

A Publication of the Tyler County Forest Landowner Association

<http://tcforest.org/>

Tyler County Forest
Landowner Association

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New Sales Tax Exemption Registration for Agriculture and Timber Operators

Beginning Jan. 1, 2012, farm, ranch and timber operators who produce agricultural and timber products for sale will need a special registration number to claim a sales tax exemption on taxable products used in those businesses. Texas Comptroller Susan Combs announced they can get a registration number through either a mail-in application or an online application that begins Oct. 3.

Registration is required by House Bill 268 passed in the recent legislative session and supported by retailers and agriculture groups.

"Beginning Jan. 1, anyone who wants to claim the agriculture or timber sales tax exemptions for qualifying products will need a registration number to show retailers, instead of simply signing an exemption certificate at the time of purchase," Combs said. "The new registration process takes the burden off retailers to verify whether a purchaser is eligible for exemption. And it narrows the pool of purchasers claiming the sales tax exemption to those actually involved in production of agriculture and timber products for sale."

The new legislation requires a registration number to claim tax exemptions when buying items such as machinery and equipment; fertilizers; insecticides; irrigation equipment; and off-road motor vehicles used for farming and timber production. Those entitled to make tax-free purchases of taxable qualifying products include groups such as:

- * farmers and ranchers who raise agricultural products to sell to others;
- * fish farmers and bee keepers who sell the products they raise;
- * custom harvesters;
- * crop dusters;
- * commercial nurseries engaged in fostering growth of plants for sale; and
- * timber producers, including contract lumberjacks.

Products such as feed for livestock and wildlife, seeds and annual plants are always tax-exempt and would not require a registration number.

The primary owner or operator of a farm, ranch or timber operation may obtain one registration number that can be used by anyone authorized by the registrant - including family members or employees - to make tax exempt purchases of qualifying products for the business.

The application for a registration number should take less than 10 minutes to complete. Online registration begins Oct. 3 at www.GetReadyTexas.org. Online applicants will receive a registration number immediately. If you prefer, you may download a paper application form from the website or call 1-800-252-5555 to receive a form by mail.

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If you ever wonder how important your forests are, read this article from the **American Forest FORESTBYTES** 11-8-11 Online edition.

A Carbon Conundrum

Everyone knows that cars emit CO₂. Everyone also knows that trees absorb carbon. But do you know how many trees it would take to absorb your car's carbon emissions for a year? For your car's lifetime? The answers might surprise you.

Last year, Americans drove almost three trillion miles according to estimates from the [U.S. Federal Highway Administration](#).

That's a lot of time on the open road, time stuck in traffic jams, and time for carbon emissions to enter our atmosphere.

How Much Carbon?

12,000 mile average per year per passenger vehicle (cars,

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Forest Herbicides: Research and Demonstration IX

The 9th meeting of the Forest Herbicides: Research and Demonstration workshop will be on Wednesday December 7, 2011 from 9:00 am – 5:00 pm. This meeting will be held in the Conference Center, Room 117, located in the Arthur Temple College of Forestry on the campus of Stephen F. Austin State University in Nacogdoches, TX.

This workshop will be of interest to timberland owners, foresters, consultants, industry representatives, loggers and anyone interested in forest herbicide research and use. The registration fee is \$70 before or \$100 after December 3. Registration is available by shopping online at the College of Forestry website on the Forestry Marketplace – Conferences at <http://forestry.sfasu.edu/>. Lunch is included in the registration fee. Parking is free.



TCFLOA Backs German Pellets

The Tyler County Forest Landowner Association's by-laws state that our purpose is "to encourage and assist in the development of the full potential of forestry in Tyler County." As tree farmers, we need markets for our crops as they mature for harvest and we have all been concerned with diminishing markets as several area plants closed and others reduced capacity during the past few years.

Tyler County and Woodville businessmen and officials have been pursuing various wood processing opportunities for some time and are optimistic that a wood pellet facility will soon be built in Woodville. Wood pellets are considered to be an environmentally friendly biomass. They have a very low moisture content and are boasted to burn CO₂ neutral and with lower SO₂ emission than from fossil fuel. They are burned in home and industry heating appliances in Europe and the popularity of their use is growing in North America.

October 11, 2011, German Pellets, the largest wood pellet manufacturer in Europe, announced that it selected Tyler County for its first pellet plant in the United States. Plans are for the facility to manufacture 500,000 metric tons of wood pellets annually, beginning the third quarter of 2012. It is to be built at the former chip mill location in Woodville on US-69 south.

Why the United States? German Pellets' news release stated that the southeastern United States is an attractive location because its mild climate and fertile soils has significantly higher forest-growth rates in cubic feet per acre than Europe.

Why Woodville, Texas? Tyler County has a high volume of timber crops and has access to the ports at Beaumont and Port Arthur.

For the full news release, access <http://www.german-pellets.de/en/news/news-detail/article/german-pellets-erstes-pelletwerk-in-den-usa.html>

The TCFLOA Board of Directors met recently and, based on our organization's purpose, voted unanimously to support a wood pellet facility in the county and mailed a letter to the Tyler County Chamber of Commerce expressing that support.

On a separate note: As of this date, the East Texas Electric Cooperative (ETEC) Board of Directors has not yet voted to proceed with the bio-mass electrical generation unit proposed for 2012 construction in Woodville. The unit would generate 50 Megawatts of electricity and we remain hopeful that this facility will also be built.

Comments From The Editor

In the past several months, Texas has experienced a number of environmental disasters. The two which occupied the most news space and time have been the continuing drought and wildland fires, both of unprecedented proportions.

Southeast Texas, which historically has been the most water affluent region of the state, is now experiencing water shortages that are requiring most local water providers to urge personal conservation. The largest two lakes in East Texas, Sam Rayburn and Toledo Bend Reservoirs, are at their lowest levels since each reservoir was completed in 1965 and 1967 respectively.

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Save the Date - 2012 Texas Timber Tax Workshop - Dr. Yanshu Li, Forest Economist, Texas Forest Service, College Station, TX

Time & Location: Friday, February 17, 2012, 8:30 a.m. – 5:00 p.m., Lottie & Arthur Temple Civic Center, 601 Dennis St., Diboll, Texas

Many landowners continue to pay more than their fair share of taxes on their timber income. Even forest landowners who use accountants need to understand how timber expenses and income are taxed, since some tax preparers are not well versed in special tax treatment for forestry.

Knowing the tax laws will give you an advantage in planning your forest management activities.

The daylong workshop will provide an understanding of timber tax including basics about timber taxation and the latest changes to tax laws and rules for 2010 tax return preparations. Topics will focus on federal timber income tax issues for private forest owners with a refresher on local timberland property tax incentives. Participants will gain a clear understanding of commonly misunderstood timber tax issues.

For individuals who have had timber losses due to wildfires and other casualties, this course can explain who can take a casualty loss deduction, determination of allowable loss deduction and how to claim the loss.

The workshop is designed for forest landowners, consulting foresters, accountants, attorneys, and others who work with forest landowners in matters pertaining to timber taxes.

PRESENTERS:

Dr. Deborah Gaddis Gunter, is a retired Mississippi State University Extension Tax Specialist in Forestry. A former industrial forester, Debbie has been teaching landowners, tax preparers and foresters about forest taxation since 1999. She is the author of the Timber Tax Fundamentals Short Course and numerous tax articles and publications. She has lectured across the United States on the subject of forest taxation. Currently she is Visiting Assistant Professor at Southern Illinois University at Carbondale Department of Forestry.

Dr. Yanshu Li Forest Economist, Texas Forest Service, College Station, TX

Continuing Education Credits: The workshop qualifies for Continuing Education Credits: CFE (Foresters) 7.0 hours, CLE (Loggers) 6.0 hours and CPE (CPAs) 8.0 hours.

For more information, please contact Monica Jadlofski at (979) 458-6630 or mjadlofski@tfs.tamu.edu. Online updates and registration will be available on the Texas Forest Service website <http://texasforests-service.tamu.edu> at a later date.

SPECIAL NOTICE

Saturday, January 14, 2012, 9:30 AM, Woodville Hardwood Mill, 5 mile So. on US 69 - TOUR and Directors Meeting. ALL TCFLOA MEMBERS are encouraged to attend. For Additional information: Contact any Director (*see back page*); or check our Website <http://tcfloa.org/>



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minivans, pick-ups, vans and SUVs) ÷ 25.5 average miles per gallon

= 470.6 average gallons per yr.

× 17.68 average pounds of CO₂ per gallon of gas

= 8,320 pounds of CO₂ per vehicle per year.

So more than four tons of new greenhouse gas are floating around our atmosphere each year for every car on the road!

Scary! But, we have good news: an average tree planted through American Forests' Global ReLeaf program absorbs about 910 pounds of CO₂. So just nine of these hard workers can help offset the average emissions for your car for a year.

Now, let's say that your car has a long, trouble-free life and makes it to the 12-13 year life average that's reported by the U.S. Department of Transportation. That means 110-120 trees are needed to absorb the carbon emissions for your car's life.

Why is offsetting carbon emissions so important? It means cleaner air for you to breathe and a cooler planet.

Carbon is the basis of life on Earth. All living organisms are composed of carbon — even humans. It's in the rocks, in the ocean, in the plants, in the atmosphere. The movement of carbon through all of these different elements is referred to as the carbon cycle. It can take from as little as one year for carbon to cycle in annual plants to billions of years for some rocks—or precious stones such as diamonds. This natural cycle has functioned successfully for millennia to maintain a balance in Earth's carbon levels, but all of that changed with the Industrial Revolution.

In the 1700s and 1800s, with the advent of modern engines and energy technologies, we began altering the natural carbon cycle, releasing more greenhouse gases, including CO₂, into the air through the burning of fossil fuels, as well as through clearing forests for agriculture and harvesting trees for development. The concentration of CO₂ in the Earth's atmosphere has increased by more than 35 percent since the pre-Industrial Revolution days. It is higher today than at any time in at least 650,000 years, and the increase is almost all due to human activity.

Greenhouse gases are a natural part of our atmosphere, but not at their current levels. One important function of greenhouse gases is that they trap heat in the atmosphere. We need that heat

(Continued in next column)

Websites of Interest



***NEW* - Texas Taxes for Agriculture and Timber**

Industries - <http://www.window.state.tx.us/taxinfo/agriculture/>

Tax Tips for Forest Landowners, 2011 - <http://www.fs.fed.us/spf/coop/programs/loa/tax.shtml>

Conducting a Simple Timber Inventory –

<https://utextension.tennessee.edu/publications/Documents/PB1780.pdf>

A Management Guide for Invasive Plants in Southern Forests

(132 pages – long down-load time) - <http://www.srs.fs.usda.gov/pubs/36915>

A Field Guide for the Identification of Invasive Plants in Southern Forests (information on this subject is more easily downloadable than the previous website) - [http://](http://wiki.bugwood.org/Archive:IPSF)

wiki.bugwood.org/Archive:IPSF

to prevent the planet from being covered by a sheet of ice (remember the ice ages?), but too much greenhouse gas can result in a much warmer planet, which will have serious global and regional impacts on natural ecosystems and human populations, such as increasing coastal flooding, droughts, wildfires, intense storms and the spread of disease. If you want an extreme example of what greenhouse gas can do, take a look at Venus. Venus' atmosphere is more than 95 percent CO₂, leaving the planet with a surface temperature of a balmy 860-plus degrees Fahrenheit — it's much, much hotter than Mercury despite being farther from the sun.

So, what do we do? For starters, we protect our trees and forests. It's well known that trees act as carbon sinks, or basically storage vaults, absorbing carbon from the air for use in photosynthesis and accumulating it in their limbs, trunks and roots, as well as in the organic matter of the soils that trees help to build. But scientists are discovering that forests may be even better sinks in the coming years than was originally thought. According to a recent report by a team of University of Michigan researchers, in the immediate future, forests will be able to consume more carbon than had been previously estimated and help remove additional greenhouse gases from the air.

Our trees and forests are doing their best to help us, so let's help them. Let's protect them from unwarranted clearing and cutting, as well as from threatening diseases and insects; let's replant areas damaged by fire and other disturbances; let's build a greener world. "Share the Love" and support American Forests' mission to protect and restore our trees and forests.

See this link for more on this subject:

<http://www.americanforests.org/assumptions-and-sources/>

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The inflow into each reservoir has been minimal for months, due to very infrequent rainfall in the upriver watersheds. Therefore, the outflow from each dam has been diminished to the point of allowing only enough water to travel downstream to provide the water supply for a number of cities and towns, provide water to industries near the coast that significantly contribute to the economy of East Texas, the state and nation, and protect the bays and estuaries for the commercial fishing industry, another vital economic driver to the economy of Texas, et. al.

At the same time, due to the lack of rainfall, most of the subsurface aquifers have diminished in capacity.

Wildland fires have consumed more than 3.5 million acres of forests and grassland in the past 11 months. Almost every county in Texas experienced one or more wildland fires in that period.

A significant portion of that 3.5 million acres consisted of forest land in the 43 counties of east Texas, which contain approximately 12 million acres of forest. This too represents a significant economic loss to the state's economy.

We as active tree farmers need to do all we can to protect our crop, protect the water quality of nearby streams and rivers and economize on our own water usage to lessen the drawdown of the aquifers beneath our property. Each of us must tighten our belts and wait out this assault by Mother Nature.



**Tyler County Forest
Landowner Association**

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DO NOT FORWARD

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Check your membership date above. '12 or greater = OK.

TOUR & Directors MEETING—Jan. 14, 2012, 9:30 Hardwood Mill (See Pg 2)

Membership 2012

It is time to consider your annual dues. If you desire to take the tax deduction in this year, then you will want to pay before Dec 31. For some of you who always pay at the beginning of the calendar year, then early January is the best time so you will not forget.

Be sure to check the mailing label above. If the 2 digit code is **'12 or greater**, then you are up to date. If you are behind, we only ask that you pay for 2012.

Remember you also are fulfilling one of the requirements for earning the timber tax exemption from the Tyler County Appraisal District.

And you are associated with many others when it comes time to represent you with elected leaders: County, State and Federal.

So look at the mailing label above for the 2 digit number. **If is isn't a '12 or greater**, then consider renewing your membership ASAP.

And attend the meetings. We always have excellent programs covering timely topics.

MEMBERSHIP RENEWAL

For Calendar Year 2012 - TCFLOA

Regular Membership: Private non-industrial owners of five (5) or more acres of land in Tyler Co.
Dues: \$10 per calendar year per couple. One (1) vote per membership.

Associate Membership: Any individual not qualifying as a Regular Member who supports the objectives of TCFLOA. **Dues:** \$10 per calendar year per individual or organization.
Associate Members are non-voting.

PLEASE BE SURE TO INFORM THE TREASURER OF ADDRESS CHANGES

NAME

ADDRESS

CITY / STATE / ZIP

PHONE

E-Mail or FAX

Please make checks payable to TCFLOA, and mail to:

Bill Tetley, Treasurer TCFLOA, 3607 Gary Ave.; Nederland, TX 77627-7145