



Riparian Forest Buffers Tax Credit Program

The 1999-2000 Virginia General Assembly provided the taxpayers of the Commonwealth a non-refundable tax credit for retaining riparian buffers associated with the harvesting of timber. The amount of the credit is equal to 25 percent of the value of the timber retained as a buffer up to \$17,500 in the tax year in which the harvesting operation was completed. If partial harvest occurs within the buffer, the amount of the credit is 12.5 percent of the value of the timber retained.

Who is Eligible?

- ◆ Individuals, partnerships, S-corporations, family partnerships and limited liability corporations must be a Virginia tax-paying landowner.
- ◆ The tract must be at least 10 acres in size (including the contained buffers). If riparian forest buffers belonging to the same landowner cross the state boundary, only the portion contained within the state boundary will qualify for the tax credit.
- ◆ The applicant's harvesting operation must be complete to qualify for the tax credit.
- ◆ The applicant is eligible for the tax credit for the tax year in which the harvesting operation was completed.
- ◆ The tax credit can be carried over for up to five years if it cannot all be used in the first tax year of eligibility.

CONTACT INFORMATION

Western Region Office, Salem:

(540) 387-5461

Alleghany, Bath, Bedford, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Franklin, Giles, Grayson, Henry, Highland, Lee, Montgomery, Patrick, Pulaski, Roanoke, Rockbridge, Russell, Scott, Smyth, Tazewell, Washington, Wise and Wythe counties

Central Region Office, Charlottesville:

(434) 977-5193

Albemarle, Amelia, Amherst, Appomattox, Arlington, Augusta, Buckingham, Campbell, Charlotte, Clarke, Culpeper, Cumberland, Fairfax, Fauquier, Fluvanna, Frederick, Goochland, Greene, Halifax, Loudoun, Louisa, Lunenburg, Madison, Mecklenburg, Nelson, Nottoway, Orange, Page, Pittsylvania, Powhatan, Prince Edward, Prince William, Rappahannock, Rockingham, Shenandoah, Spotsylvania, Stafford and Warren counties

Eastern Region Office, Providence Forge:

(804) 966-2209

Accomack, Brunswick, Caroline, Charles City, Chesterfield, Dinwiddie, Essex, Gloucester, Greensville, Hanover, Henrico, Isle of Wight, James City, King & Queen, King George, King William, Lancaster, Mathews, Middlesex, New Kent, Northampton, Northumberland, Prince George, Richmond, Southampton, Surry, Sussex, Westmoreland and York counties

For More Information

For more information about the riparian forest buffer tax credit program, please contact your local Virginia Department of Forestry office or visit the agency website at www.dof.virginia.gov.



Virginia Department of Forestry

900 Natural Resources Drive, Suite 800
Charlottesville, Virginia 22903
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www.dof.virginia.gov

VDOF P00123; 02/2011

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RIPARIAN BUFFERS TAX CREDIT

*Protecting
Virginia's Waterways with
Forested Buffers*



Virginia Department of Forestry
www.dof.virginia.gov

Tax Credit Sign-up

Applications for Riparian Buffer Tax Credit will be accepted year 'round. To apply, landowners need to submit an application, map and supporting documentation as described below.

Allow 30 days for Virginia Department of Forestry approval. Applicants are encouraged to contact the local VDOF office for assistance.

Print Application On-line at
www.dof.virginia.gov

Application Requirements

Applicant must provide the following information to the local Virginia Department of Forestry (VDOF) office:

- ◆ Completed Application for Riparian Buffer Tax Credit form;
- ◆ Application fee (landowner will sign a VDOF Service Agreement and will be billed);
- ◆ Copy of a VDOF-approved Forest Stewardship Management Plan for the tract (the criteria for a Stewardship Management Plan meeting national standards are available from the Virginia Department of Forestry website www.dof.virginia.gov);
- ◆ Proof of land ownership (copy of a title or deed, copy of last year's tax bill, etc.);

- ◆ Specific description of the buffer(s), including location and dimensions;
- ◆ Proof of the value of timber remaining in the buffer from a specific riparian buffer cruise OR proof of the overall harvest value and harvest acres for a prorated timber value based on acreage, and
- ◆ Map of the riparian forest buffers (either in printed copy or GIS shape file).

A copy of the Harvest Inspection will be obtained from the local Virginia Department of Forestry office and attached to the application package.



Tax Credit Approval

The area forester will certify the tax credit application on the form to be filed with your Virginia Income Tax Return. The tax credit certificate will be provided to the applicant (by Social Security Number or Employer Identification Number) who signs the application form. An applicant must be the landowner(s) or S-corporation on record. Corporations are defined as a single "applicant."

Buffer Specifications

The riparian buffer must be at least 35 feet wide but no greater than 300 feet wide. At least 50 percent of the crown cover must remain following the harvest. All waterways of the Commonwealth are eligible and are defined as "any perennial or intermittent stream found on the US Geologic Survey 1:24,000 topographic maps." The criteria follow the "Technical Specifications for Forestry Best Management Practices in Virginia."

Noncompliance

Failure to maintain the riparian buffer intact will result in the applicant being required to refund all or part of the tax credit. Once the applicant agrees to the program specifications and accepts the tax credit, the applicant is responsible for maintaining the buffer for the 15-year life span, regardless of any change in ownership or control.

Practice failure, either by insect infestations or catastrophic events, will be documented by the Virginia Department of Forestry at the request of the landowner. The applicant must ensure compliance by replanting or allowing natural regeneration to occur to continue program participation.

Inspections

The VDOF will conduct periodic inspections of the certified riparian areas. All riparian buffer tax credit applicants are subject to spot checks for program compliance during the life span of the project.