



Hardwood Initiative Tax Credit Program

Offering Tax Incentives for Hardwood Management

Forestry Topic 62

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The Hardwood Initiative Tax Credit is designed to encourage Virginia forest landowners to manage their hardwood forestland by helping to offset the expenses associated with management practices. Managed forests provide many crucial benefits to landowners and the Commonwealth as a whole. Landowners are encouraged to work with a Department of Forestry (DOF) forester or a professional consulting forester to get management recommendations to improve their forestland.

The Hardwood Initiative Tax Credit reimburses expenditures up to \$1,000 that were incurred within a single year (January 1 through December 31) to complete hardwood best practices.



Who is Eligible

- ◆ Applicants must be people or Pass Through Entities (PTEs) subject to Virginia income tax who have an expense completing best practices.
- ◆ Applicant must have a forest management plan prepared by a forestry professional that contains a best practice and must complete a best practice.
- ◆ The best practices in the plan must be approved by a DOF forester.

What Qualifies

Best practices must be completed on at least 5 acres of hardwood forestland (or 1 contiguous acre for hardwood afforestation). Best practices include:

- ◆ Competing vegetation control
- ◆ Crop tree release
- ◆ Hardwood Afforestation following Virginia Hardwood Planting Guidelines
- ◆ Mid-story removal
- ◆ Prescribed burning and firebreaks
- ◆ Timber stand improvement, such as:
 - Liberation
 - Pre-commercial thinning
 - Deadening cull trees
 - Native vine control

The tax credit may be combined with cost-share incentives if there are expenses in excess of the cost-share amount.

For people completing best practices themselves, personal time cannot be valued for the tax credit, but materials required are eligible. Equipment purchases are eligible; limits apply.

Credits may be carried forward for up to 5 years but are not transferrable or refundable.

Get Started

Interested landowners should contact DOF or a professional consulting forester for suitable management recommendations. If proposals include practices eligible for incentives, assistance with the application process can also be provided. To get started, visit DOF's "[Find a Forester](#)" web page.

For more information about services or programs in your area, contact your local DOF office:

www.DOF.Virginia.gov



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