THE TAXATION OF FOREST LANDS IN WISCONSIN

By Alfred K. Chittenden, Forest Examiner, and Harry Irion, Forest Service.

INTRODUCTION.

On the initiative of the Wisconsin State Board of Forestry, the Forest Service of the United States Department of Agriculture in April, 1910, entered into a co-operative agreement by the terms of which it was to undertake a study of forest conditions in the State of Wisconsin.

The main purpose of the study was to determine the extent of the burden now carried by timberlands as a result of the present methods of taxation, and what influence, if any, such methods of taxation have or will have on the practice of forestry by private owners. Especial thanks are due the State Forester and also the State Tax Commission for the valuable assistance given throughout the course of the study.

That the perpetuation of this country’s forests, and their management along conservative lines, is an object of grave concern to the nation and to individual states, and a proper subject of legislation, all admit. Nor will it be denied by those having a proper regard for the future, that the time has arrived when affirmative action must be taken if this end is to be attained. Every day of delay lessens the chance of success.

Forest conservation by private owners depends primarily upon one point: Does it pay? If forestry can not be made to pay without granting it special favors it has no place in the business world of today. The two great obstacles to the practice of forestry by private owners are forest fires and an unjust and unequal system of taxation. Without proper control of the forest fires that yearly run over the cut-over lands, no private owner can hold his cut-over lands for a
second cut. Without a fair system of taxation no private owner can hold his cut-over lands and give them adequate fire protection in order to get a second cut of timber. With a fair system of taxation owners of timberland will be better able to protect their cut-over lands from fire, and could, perhaps, afford to hold these cut-over lands for future timber protection.

A study of forest taxation has already been made in New Hampshire, and the report has been published by the Forestry Commission of that state in its biennial report for the years 1907–1908, but up to the present time no such study has been made in the Lake states. While the general conclusions reached in New Hampshire may in a way be applicable to other states and regions, they can not be applied in toto. Local conditions and present methods of taxation, the relative area of forest land, the rate of growth of the forest, as well as other considerations, must be taken into account.*

Wisconsin stands fifth in the list of timber-producing states of the Union. In 1907 it was fourth. In 1908 it ranked second in the production of white pine. It is being rapidly drained of timber by lumbering, but timber removed in this way is converted into money and brings about the development of the country. Very large areas in Wisconsin, however, are being stripped of timber in another way—by fire. In 1908 an area of 1,209,432 acres was burned over by 1,435 forest fires. No small portion of this acreage was young-growth pine, hemlock, spruce, and hardwoods, some of it nearing merchantable size, while the proportion of mature timber burned was also large. It is estimated that 499,495,791 board feet of merchantable timber were destroyed, worth, at a conservative estimate, $2,996,975. The value of the young growth destroyed by these forest fires in 1908 is estimated at $6,047,060.

Wisconsin is typical of the great region around the Lakes. The northern part of the state is largely white pine land; south of this is found a wide extent of hardwood land; and the southern portion of the state ranks with the best agricultural land in the United States. A study of forest taxation in Wisconsin, then, will be applicable to a wide territory, and the conclusions herein reached may be applied to a territory larger than the state alone.

The study was confined largely to the northern part of the state. The southern part is principally farming land, and the value of the soil for farming is greater than it could possibly be for timber pro-

* See Appendix, p. 70.
duction. Practically all of the timber has been removed from the southern counties, and there remain now only scattering bodies of timber included in the woodlots of the various farms. The northern part of the state, however, contains much true forest soil—soil that is too poor, rocky, or sandy to ever be successfully used for agriculture. In many of the intermediate counties, however, the soil is suitable for agriculture and will undoubtedly be so utilized within the next few decades. But the country is comparatively unsettled as yet, and while awaiting the coming of farmers and the conversion of the land into farms, it can and should be used for the production of timber. This applies to counties such as Price and Rusk, where practically the entire county contains excellent farming soil, but where settlement is naturally slow, owing to the difficulty of clearing the land for agriculture. In these counties the standing timber will soon be exhausted, and the timberland owners are now offering much of their land for sale to settlers. There are extensive areas in these counties, however, where the soil is too rocky and poor for farming, and such areas should be kept in timber growth. In the extreme northern counties where the soil is sandy it has no value except for forest growth.

The general conclusions which may be drawn from this investigation are:

1. The actual tax burdens imposed on forest lands of the same value are not uniform or proportionate, as the constitution and laws of the state require, either as between the different counties and towns or between the different taxpayers in the same town.

2. The burden of taxation upon cut-over land is relatively much higher than upon timbered land, although the latter is better able to bear the heavier burden of taxation.

3. The burden of taxation upon farm land is also relatively less than that upon cut-over land in the same towns, although its actual value is far greater. The ratio of the assessed to the true value of farm lands is practically the same as for timbered lands.

4. In general, the laws regarding taxation have not been strictly enforced. That no strong objections have been raised to the taxes on forest land by timberland owners is due to the fact that timberlands have in the past been greatly underassessed, and while the tax rates have been extremely high in many cases, the burden of taxation upon the timberland is just beginning to be felt.

5. In the search for revenue to meet the financial necessities of the
towns a strong tendency has recently developed to enforce the law more rigidly, and valuations have in many cases been greatly increased. This increase in valuations is more noticeable upon timbered land than upon cut-over or farming land. The cut-over land is already being assessed at practically its actual value, or even higher.

6. The present law, granting total exemption for thirty years to farmers who have planted their land to timber, is not being taken advantage of to any extent, and there are no records of any advantage having been taken of the old law, now repealed, allowing bounties to farmers who planted shelterbelts.

7. Owing to the great danger from forest fires in the state of Wisconsin, to the length of the time required to secure returns from cut-over lands by waiting for a second cut, and to the cost of protection in the meanwhile, forest management is not a particularly tempting investment for timberland owners, especially in view of the fact that cut-over land can be sold to settlers at a good price. For this reason it is believed that the state's forest policy should be greatly extended and strengthened.

8. The fire-patrol system at present in force in Wisconsin, while excellent as far as it goes, is not sufficient to successfully contend with forest fires during any particularly bad fire season. The fire-patrol system should, therefore, be greatly strengthened, and non-residents employed as firewardens if possible.

The work upon which this report is based was confined principally to the northern portion of the state, since it was manifestly impossible to go thoroughly over the entire area. Moreover, the results of an investigation in every county would not have yielded any more complete or reliable data on the tax question than could be obtained by a selection of typical counties. As has been already stated the southern part of the state is a well-developed farming country, and the question of forest taxation has little bearing there except in its application to farm woodlots. For this purpose one southern county, considered to be typical of many—Jefferson county, was selected, and an examination of that county was made to determine the effect, if any, of the present tax laws on woodlot conditions. For the rest the work was confined to the northern part of the state. Certain counties, however, such as Marathon, are well settled, and there are large areas of prosperous farms throughout. While it is probably true that a large proportion of this northern region contains soil suitable for agriculture or that dairy farms will be established, yet there are large areas
of soil too poor for farming. On such soil timber growth will always be the best crop.

For the purpose of this study ten counties considered typical of the northern part of the state were selected for detailed study. These were Bayfield, Douglas, Florence, Forest, Iron, Marinette, Price, Rusk, Sawyer, and Vilas counties. While all the information possible was collected in the other counties of the state, the principal work was confined to these ten counties.

**General Description.**

A large portion of the land in every one of these counties is agricultural in character, and in time will doubtless be placed under cultivation. The fact that this report calls attention to the existence of non-agricultural lands in a county should not be considered as a reflection upon the agricultural possibilities of such county as a whole. The only reason for doing so is to make plain the importance and necessity of using these lands for the purpose for which they are best suited.

It is a first principle that all land should be put to its best and most profitable use. Eliminating from consideration all land that is non-agricultural there will remain an abundance of land in this region not yet improved which is susceptible of cultivation. To illustrate, the total area of these ten northern counties is 6,548,195 acres. In 1908 there were only 73,732 acres or a fraction more than 1.1 per cent of the total area under cultivation. Assuming that fully 25 per cent of the total area is non-agricultural in character, there would still be left for agricultural development more than 73 per cent, or approximately 4,800,000 acres.

**Character of Land and Timber.**

Bayfield, the northernmost county, has large areas of poor sandy soil not suitable for farming. A belt of red clay, 6 to 10 miles wide, skirts Lake Superior. This belt contained originally good white pine, with a light mixture of scrubby hardwoods and some hemlock. The southeastern part of the county is mostly gravelly clay loam, and the forest consists of mixed pine, hardwoods and hemlock. The central and western part has a sandy soil covered with a forest growth of jack and Norway pine, with considerable white pine in places, especially the town of Drummond. The county is very nearly cut over.