



FY2015 Forest Land Valuation for CH61/CH61A/CH61B For Landowners and Foresters

Massachusetts current use programs (Ch. 61, Ch. 61A, and Ch. 61B) were created to give preferential tax treatment to those landowners who maintain their property as open space for the purposes of timber production, agriculture or recreation. Forest land may be enrolled in either the Ch. 61 or Ch. 61A program and is taxed at the same rate. Taxes for those properties enrolled in Ch. 61/61A are determined based on the current use of the property (i.e., the productive potential of your land for growing trees), instead of the fair market or development value. Ch. 61B taxes property at a percentage of the fair market value.

Determining the Current Use Value:

Ch 61/Ch.61A: Recommended current use values for forest land for Ch. 61 and Ch. 61A are set on an annual basis by the Farm Land Advisory Committee on or before February 1 of a given calendar year. For FY2015 the average rate has been set at \$71/acre west of the Connecticut River and \$48/acre east of the Connecticut River. The assessors, at their discretion, may assign a property an “above average” or “below average” rating depending upon the productive capacity of the soils and other indicators of productivity. To see how rates are calculated see “Calculation of Forest Land Valuation FY 2015” on page 2. For a complete list of current farm and forestland valuation values see: <http://www.mass.gov/dor/docs/dls/bla/farmland/fy15/chapterlandvaluesfy15.pdf>

Ch.61B: Land enrolled in Ch. 61B is taxed based upon a percentage of the fair market value. The rates are set by the local assessors but may be no more than 25% of fair market value.

Applying the Rate:

Below are some examples to show how the forest land valuation rate is applied to determine a tax bill. Average land valuation rates were used in all Ch. 61/Ch. 61A calculations.

West of the Connecticut River:

Property 1:

Williamsburg MA
 FY 2014 Tax Rate \$17.37
 Full market value – \$33,900 or about \$850/acre
 40 acres of backland -
 no road frontage or legal right-of-way

Ch61/Ch61A Using Forest Land Valuation	Tax Bill under Ch59	Ch61B Using 25% Valuation
\$71(per ac.) * 40 ac. = 2,840	\$33,900/1000 = 33.9 per thousand	\$33,900 * .25 = 8475
2,840/1000 = 2.840 per thousand	33.9 * 17.37 (tax rate) =	8475/1000 = 8.475 per thousand
2.840 * 17.37 (tax rate) =		8.475 * 17.37 (tax rate) =
\$49.33 Tax	\$588.84 Tax	\$147.21 Tax

Property 2:

Williamsburg MA
 FY 2014 Tax Rate \$17.37
 Full market value -- \$106,300
 10 acres with
 significant road frontage

Ch61/Ch61A Using Forest Land Valuation	Tax Bill under Ch59	Ch61B Using 25% Valuation
\$71(per ac.) * 10 ac. = 710	\$106,300/1000 = 106.3 per thousand	\$106,300 * .25 = 26,575
710/1000 = .71 per thousand	106.3 * 17.37 (tax rate) =	26,575/1000 = 26.575 per thousand
.71 * 17.37 (tax rate) =		26.575 * 17.37 (tax rate) =
\$12.59 Tax	\$1,846.43 Tax	\$461.61 Tax

East of the Connecticut River:

Property 3:

North Brookfield MA

20.53 acres much of it backland

FY 2014 Tax Rate \$15.24

Full market value -- \$57,400

Ch61/Ch61A Using Forest Land Valuation	Tax Bill under Ch59	Ch61B Using 25% Valuation
\$48(per ac.) * 20.53 ac. = 731.52	\$57,400/1000 = 57.4 per thousand	\$57,400 * .25 = 14,350
731.52/1000 = .7315 per thousand	57.4 * 15.42 (tax rate) =	14,350/1000 = 14.350 per thousand
.7315 * 15.24 (tax rate) =		14.350 * 15.24 (tax rate) =
\$11.15 Tax	\$885.11 Tax	\$218.69 Tax

Property 4:

Millis MA

16.27 acres with significant road frontage

FY 2014 Tax Rate \$17.06

Full market value -- \$544,000

Ch61/Ch61A Using Forest Land Valuation	Tax Bill under Ch59	Ch61B Using 25% Valuation
\$48(per ac.) * 16.27 ac. = 780.96	\$544,000/1000 = 544 per thousand	\$544,000 * .25 = 136,000
780.96/1000 = .78096 per thousand	544 * 17.06 (tax rate) =	136,000/1000 = 136 per thousand
.78096 * 17.06 (tax rate) =		136 * 17.06 (tax rate) =
\$13.32 Tax	\$9,280.64 Tax	\$2,320.16 Tax

Calculation of Forest Land Valuation FY2009

Formula: forest land valuation = ((annual net growth * avg. stumpage - cost)/capitalization rate) * rhf

Annual Net Growth: calculated from FIA data based on change in growth from 1972 to 2005
0.162 MBF/ac/yr

Average Stumpage Values: are based upon Massachusetts stumpage values as reported by UMass Extension
5 Year Average: 4th Quarter 2007 through 3rd Quarter 2012, inclusive

West of Connecticut
\$89/MBF

East of Connecticut
\$71/MBF

Cost: \$5.66/ac/yr is an estimated cost based upon hypothetical forest using stewardship formula and cost numbers from "The Expense of Private Forestry" Hersey and Kittredge 2005

Capitalization Rate: 0.086 for FY 2014

Reduced Harvest Factor: .7 harvest reduction factor is based upon reduction in a landowners ability to harvest based upon regulations such as Rare and Endangered Species, wetlands, streams and road buffers.

Valuation per Acre **West** **East**
\$71/ac \$48/ac

For more information about Ch61/Ch61A/Ch61B

- visit the following web sites:
DCR Ch61 Program: [Google](#) DCR MA Service Forestry
UMass extension: <http://www.MassWoods.net>
- Contact your local assessor.