Taxation for Resource Management

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To the mass mind, conservation is being stressed as some form of outdoor recreation. The values which accrue from healthy outdoor sports should not be discounted, but this emphasis alone indicates an educational vacuum by many who profess to be leaders.

The average person, urban or country dweller, when bent on a few hours or weeks of recreation, does not bother about the profundities of resource economics, or are they encouraged to. Many have only the vaguest notion of the ecological relation between plants, animals, soils and water, and even less understanding of the resource management, which is the cornerstone of survival and is concerned with industry, standards of living, education, markets, legislation, taxes, and the interrelation of community, state and national economy.

Today forests furnish much of the physical land areas for recreation, and forest taxation laws are one of the most important factors which influence forest industry and the multiple-use concept, of which recreation is a part.

There can be no extensive recreation without a sound economy. Neither industry nor recreation can prosper without an intelligent understanding of forest land taxation. Not only do forest owners and tax collectors have a stake in equitable tax laws, but hunters, fishermen, hikers and birdwatchers as well.

Today forest management includes protection from fires, silvicultural and reforestation practices, logging and milling, marketing, and the ability to pay taxes. There must be a profit or the entire economic structure will collapse. In a sense, all of these elements of management are one and inseparable.
Power To Tax

I cannot recall when I have heard a discussion on any type of land taxation in all my years of attending wildlife conventions, but more and more the recent upsurge in outdoor recreation as a national objective has generated some sharp conflicts regarding the nation's traditional philosophies of economic survival. Although public land acquisition, federal and state, has made headlines, it is only one of the issues. There are other impingements and considerations of far-reaching impact which the present garden variety of conservationists and their leaders either ignore or are unaware of. One relates to our traditional system of tax collecting at the town and county level. When local assessors and tax commissioners see unreasonably high prices paid for recreational areas in relation to lands valued for agriculture and commercial forest use, they are tempted to increase the value of all adjoining lands to prices paid for the recreational tracts.

Let no one forget in his enthusiasm that the power to tax has the potential power to destroy. Although many citizens pay an annual real estate tax, their livelihood does not come directly from the land, and as the people of this nation retreat from the land they cease to realize where all the basic wealth comes from. The entire tax structure is an integral part of land use, and people prosper in relation to the productivity of the land. Land-based industries are only a media to convert raw materials to finished products for a demanding society.

In general terms the various impingements which for decades defeated sane forest management in nearly all states were entrenched in out-moded traditions and attitudes regarding land management and taxation. Taxes are a man-made creation. They are not dramatic, but their misapplied impact to forests can be almost as ruinous as fire and insects.

Tax Laws

Congress has struggled with regulatory laws for the administration of public domain since Revolutionary times; and not always with too much notable success. As early as 1872 the State of Maine passed a forest tax exemption law, and down through the years 44 states have enacted various forms of forest tax relief. In all cases at their inception recreation was not considered a part of the problem. They were in relation to land-use traditions, available acreages, and whether the forest cover was virgin, residual or simply brush. It can be well said that, in some states, forestry has been reduced to a hypothetical discussion.

There have been so-called bounty laws and various forms of tax exemptions, there has been a progression of modified property tax laws, a severance tax and finally a yield tax. In some states more than one is applied, especially in the West and South. Wisconsin has pioneered with rural zoning in con-
nection with a severance tax. This has proved very successful, and now is a buffer against inordinately high recreational land prices.

With today's complexities, classifying lands for their proper long-term use and establishing a tax base which will guarantee their true destiny takes serious study. Where timber growing is the main spoke in the wheel of a community's or state's economy, the taxes must be applied according to use and productivity. Until conservation leaders get down to these brutal facts, the problem will continue to float off on cloud nine and possibly our economy with it. This nation will prosper in ratio to the productivity of the land, and forest industry can survive only in relation to an intelligent and guaranteed tax system.

... the author

Ernest Swift has been active in conservation work since 1926 when he began his career as warden with the Wisconsin Conservation Department. He later served as director of that department. From 1955 to 1960 he was executive director of the National Wildlife Federation. Mr. Swift currently serves the National Wildlife Federation as conservation advisor.