

**SUMMARY OF WEST VIRGINIA  
MANAGED TIMBERLAND VALUES**

**Tax Year 2008**

**CLASS III PROPERTIES**

	<u>MANAGED TIMBERLAND VALUES</u>		
	<b>T1</b>	<b>T2</b>	<b>T3</b>
REGION 1	254	162	75
REGION 2	225	150	75
REGION 3	313	202	75
REGION 4	253	161	75
REGION 5	225	150	75



## Tax Year 2008 Managed Timberland Statistics

### Estimation of Required Rate of Return: Class III Rates

**A. Safe Rate of Return (5 Year T-Bill Rate)**

Year	Rate	W/A %	W/A Rate
2006	4.7450	33.33%	1.5817
2005	4.0458	26.67%	1.0789
2004	3.4290	20.00%	0.6858
2003	2.9683	13.33%	0.3958
2002	3.8150	6.67%	0.2543

**3.996** %

**B. Nonliquidity Rate**

(12 Month T-Bills vs. 3 Month T-Bills)

Year	Rate	W/A %	W/A Rate
2006	0.0845	33.33%	0.0282
2005	0.4050	26.67%	0.1080
2004	0.4920	20.00%	0.0984
2003	0.2142	13.33%	0.0286
2002	0.3690	6.67%	0.0246

**0.288** %

**C. Risk Rate (30 yr T-bills vs 5 yr T-bills)\***

Year	Rate	W/A %	W/A Rate
2006	0.6070	33.33%	0.2023
2005	0.6000	26.67%	0.1600
2004	1.6180	20.00%	0.3236
2003	1.9892	13.33%	0.2652
2002	1.5666	6.67%	0.1044

**1.056** %

**D. Management Factor**

**0.500** %

**E. Property Tax Component**

(60% of Class III Rate)

Year	Rate	W/A %	W/A Rate
2006	1.326	33.33%	0.4420
2005	1.344	26.67%	0.3584
2004	1.356	20.00%	0.2712
2003	1.350	13.33%	0.1800
2002	1.356	6.67%	0.0904

**1.342** %

**F. Inflation Rate:**

(Bureau of Labor Statistics)

Year	Rate	W/A %	W/A Rate
2006	2.500	33.33%	0.8333
2005	3.400	26.67%	0.9067
2004	3.300	20.00%	0.6600
2003	1.900	13.33%	0.2533
2002	2.400	6.67%	0.1600

**(2.813)** %

**TOTAL REQUIRED RATE OF RETURN (REAL)**

**4.368** %

**LESS: PROPERTY TAX COMPONENT**

**(1.342)**

**TOTAL DISCOUNT COMPONENT**

**3.026** %

\* 30 yr T-bills. 2002- 2005 not available, 20 yr. T-bill data used. 2006, 30 yr. T-bill data available

**Stumpage Prices:**

		<u>Sawtimber</u>	<u>Pulpwood</u>			
<b>Stumpage Price Adjustment Factor</b>		<b>0.20%</b>	<b>-0.96%</b>			
			1.0724	1.0941	1.1162	1.1733
<b>SAWTIMBER</b>		Current	\$/MBF at age	\$/MBF at age	\$/MBF at age	\$/MBF at age
Region	\$/MBF	35	45	55	80	
Region 1	257.70	276.37	281.95	287.64	302.37	
Region 2	221.10	237.12	241.90	246.78	259.42	
Region 3	311.99	334.59	341.35	348.23	366.07	
Region 4	258.72	277.46	283.06	288.78	303.57	
Region 5	229.97	246.63	251.61	256.69	269.83	
			0.7135	0.6479	0.5883	0.4622
<b>PULPWOOD:</b>		\$/Cord	\$/cd at age	\$/cd at age	\$/cd at age	\$/cd at age
Region	\$/Cord	35	45	55	80	
Region 1	8.91	6.36	5.77	5.24	4.12	
Region 2	8.72	6.22	5.65	5.13	4.03	
Region 3	6.71	4.79	4.35	3.95	3.10	
Region 4	6.29	4.48	4.07	3.70	2.91	
Region 5	7.13	5.09	4.62	4.19	3.30	

**Management Costs:**

Region	\$/acre (1)
1	2.50
2	2.50
3	2.50
4	2.50
5	2.50

**Tax Rates:**

Effective Federal Income Tax Rate		35.00%
Effective WV State Income Tax Rate	(9%*(1-.35))	5.85%
Effective WV Severance Tax Rate	(6.0%*(1-.35))	3.90%

**Yield (Volumes) (80 year rotation)**

Timberland Productivity Grades	Site Index	Yield - MBF	Yield - Cords
Grade I	75 or more	14.5	10.5
Grade II	65-74	9.7	14.9
Grade III	less than 65	4.5	18.5

**West Virginia TY 2008 Wgt/Avg Managed Timberland Stumpage Prices**

**REGION 1 - Sawtimber**

Year	Volume	\$/MBF	W/A%	\$/MBF
2006	33,592.39	243.44	33.33%	81.15
2005	27,014.00	286.32	26.67%	76.35
2004	31,149.31	266.78	20.00%	53.36
2003	64,675.59	239.23	13.33%	31.90
2002	200,074.10	224.29	6.67%	14.95
	<b>356,505.39</b>			<b>257.70</b>

**REGION 1 - Pulpwood \***

Year	Volume	\$/CORD	W/A%	\$/CORD
2006	14,814.80	13.10	33.33%	4.37
2005	925.90	8.10	26.67%	2.16
2004	1,930.00	10.07	20.00%	2.01
2003	0.00	0.00	13.33%	0.00
2002	98,497.60	5.50	6.67%	0.37
	<b>116,168.30</b>			<b>8.91</b>

**REGION 2 - Sawtimber**

Year	Volume	\$/MBF	W/A%	\$/MBF
2006	89,863.24	219.73	33.33%	73.24
2005	138,585.00	204.62	26.67%	54.57
2004	78,012.63	246.97	20.00%	49.39
2003	83,166.01	220.12	13.33%	29.35
2002	232,793.20	218.23	6.67%	14.55
	<b>622,420.08</b>			<b>221.10</b>

**REGION 2 - Pulpwood**

Year	Volume	\$/CORD	W/A%	\$/CORD
2006	17,557.00	11.87	33.33%	3.96
2005	41,666.70	9.06	26.67%	2.42
2004	9,748.00	6.14	20.00%	1.23
2003	2,315.20	5.44	13.33%	0.73
2002	16,667.18	5.98	6.67%	0.40
	<b>87,954.08</b>			<b>8.72</b>

**REGION 3 - Sawtimber**

Year	Volume	\$/MBF	W/A%	\$/MBF
2006	225,503.90	293.05	33.33%	97.68
2005	249,306.30	349.89	26.67%	93.30
2004	194,879.00	316.47	20.00%	63.29
2003	269,469.50	300.73	13.33%	40.10
2002	312,127.00	264.23	6.67%	17.62
	<b>1,251,285.70</b>			<b>311.99</b>

**REGION 3 - Pulpwood**

Year	Volume	\$/CORD	W/A%	\$/CORD
2006	82,518.60	1.95	33.33%	0.65
2005	163,133.00	9.51	26.67%	2.54
2004	116,021.00	9.47	20.00%	1.89
2003	173,790.00	8.41	13.33%	1.12
2002	135,978.00	7.61	6.67%	0.51
	<b>671,440.60</b>			<b>6.71</b>

**REGION 4 - Sawtimber**

<b>Year</b>	<b>Volume</b>	<b>\$/MBF</b>	<b>W/A%</b>	<b>\$/MBF</b>
2006	9,973.61	232.63	33.33%	77.54
2005	31,321.28	260.84	26.67%	69.56
2004	119,972.00	330.57	20.00%	66.11
2003	75,613.62	263.82	13.33%	35.18
2002	189,675.90	155.00	6.67%	10.33
	<b>426,556.41</b>			<b>258.72</b>

**REGION 4 - Pulpwood**

<b>Year</b>	<b>Volume</b>	<b>\$/CORD</b>	<b>W/A%</b>	<b>\$/CORD</b>
2006	17,058.10	6.77	33.33%	2.26
2005	9,814.80	4.94	26.67%	1.32
2004	6,036.30	7.18	20.00%	1.44
2003	11,832.50	6.41	13.33%	0.85
2002	23,044.50	6.31	6.67%	0.42
	<b>67,786.20</b>			<b>6.29</b>

**REGION 5 - Sawtimber**

<b>Year</b>	<b>Volume</b>	<b>\$/MBF</b>	<b>W/A%</b>	<b>\$/MBF</b>
2006	76,052.49	229.13	33.33%	76.38
2005	46,164.57	220.70	26.67%	58.85
2004	46,788.62	316.80	20.00%	63.36
2003	69,250.99	191.54	13.33%	25.54
2002	282,321.00	87.69	6.67%	5.85
	<b>520,577.67</b>			<b>229.97</b>

**REGION 5 - Pulpwood**

<b>Year</b>	<b>Volume</b>	<b>\$/CORD</b>	<b>W/A%</b>	<b>\$/CORD</b>
2006	10,888.94	4.27	33.33%	1.42
2005	25,775.90	12.44	26.67%	3.32
2004	34,607.50	5.66	20.00%	1.13
2003	8,180.40	6.88	13.33%	0.92
2002	129,934.10	5.10	6.67%	0.34
	<b>209,386.84</b>			<b>7.13</b>

\* Data provided by Division of Forestry did not identify sales/prices for 2003.

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 1 - T1)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0	0
3	Spray	0	Yes	0	0	0	0	0
8	PCT	0	Yes	0	0	0	0	0
18	Fert.	0	Yes	0	0	0	0	0
26	Fert.	0	Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>				
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>	<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>
35	4.60	6.36	29	(3)	-	26	-	-
	(PW -Cds)				(10)	16	47	63
35	1.50	276.37	415	(40)	-	374	-	-
	(S/Tbr - MBF)				(145)	229	665	894
55	2.60	5.24	14	(1)	-	12	-	-
	(PW -Cds)				(5)	8	9	16
55	4.40	287.64	1,266	(123)	-	1,142	-	-
	(S/Tbr - MBF)				(443)	699	791	1,490
80	3.30	4.12	14	(1)	-	12	-	-
	(PW -Cds)				(5)	8	0	8
80	8.60	302.37	2,600	(254)	-	2,347	-	-
	(S/Tbr - MBF)				(910)	1,437	0	1,437
	10.50							
Total:	14.50	-	4,337	(423)	0	(1,518)	6	6,310
							1,511	3,908

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	3,908	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	3,357	
4. Present value of net income before property tax:	327	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(3.41)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(2.22)	
Total property tax payments per harvest cycle:	(177)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	574	
6. Land value after property tax (adj. for income tax deduction):	<b>254</b>	<b>254</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	119	-	78	574	651
Subtotal:	119	-	78	574	651
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%:	423	-	275	-	275
Federal Income Tax on harvest revenue @ 35.0%:	-	1,518	1,518	-	1,518
Subtotal:	423	1,518	1,793	-	1,793
Totals:	542	1,518	1,870	574	2,444
Tax burden as percent of gross revenues:	12.5%	35.0%	43.1%	13.2%	56.4%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 1 - T2)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0	0
3	Spray	0	Yes	0	0	0	0	0
8	PCT	0	Yes	0	0	0	0	0
18	Fert.	0	Yes	0	0	0	0	0
26	Fert.	0	Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551
**Interest rate used in computations is:			3.03%					

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
35	3.30	6.36	21	(2)	-	19	-	-		
	(PW -Cds)				(7)	12	34	45		
35	1.00	276.37	276	(27)	-	249	-	-		
	(S/Tbr - MBF)				(97)	153	443	596		
55	7.00	5.24	37	(4)	-	33	-	-		
	(PW -Cds)				(13)	20	23	43		
55	3.20	287.64	920	(89.74)	-	831	-	-		
	(S/Tbr - MBF)				(322.16)	509	575	1,084		
80	4.60	4.12	19	(2)	-	17	-	-		
	(PW -Cds)				(7)	10	0	10		
80	5.50	302.37	1,663	(162)	-	1,501	-	-		
	(S/Tbr - MBF)				(582)	919	0	919		
	14.90									
Total:		9.70	2,936	(286)	0	(1,028)	6	4,273	1,075	2,698

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	2,698	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	2,147	
4. Present value of net income before property tax:	209	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(2.18)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.42)	
Total property tax payments per harvest cycle:	(113)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	367	
6. Land value after property tax (adj. for income tax deduction):	<b>162</b>	<b>162</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	76	-	50	367	417
Subtotal:	76	-	50	367	417
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%	286	-	186	-	186
Federal Income Tax on harvest revenue @ 35.0%	-	1,028	1,028	-	1,028
Subtotal:	286	1,028	1,214	-	1,214
Totals:	363	1,028	1,263	367	1,630
Tax burden as percent of gross revenues:	12.3%	35.0%	43.0%	12.5%	55.5%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 1 - T3)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>							
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0
3	Spray	0	Yes	0	0	0	0
8	PCT		Yes	0	0	0	0
18	Fert.	0	Yes	0	0	0	0
26	Fert.		Yes	0	0	0	0
Subtotal:		0	-	0	0	0	0
Annual Expenses:							
Administration/management:		2.50	Yes	0.88	\$1.63	9	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	551
Total:		200	-	70.00	130.00	227	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
45	3.10	5.77	18	(2)	-	16	-	-		
	(PW -Cds)				(6)	10	19	29		
45	0.80	281.95	226	(22)	-	204	-	-		
	(S/Tbr - MBF)				(79)	125	235	359		
80	15.40	4.12	63	(6)	-	57	-	-		
	(PW -Cds)				(22)	35	0	35		
80	3.70	302.37	1,119	(109)	-	1,010	-	-		
	(S/Tbr - MBF)				(392)	618	0	618		
	18.50									
Total:	4.50	-	1,426	(139)	0	(499)	4	2,074	253	1,041

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	1,041	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	490	
4. Present value of net income before property tax:	48	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(1.01)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.65)	
Total property tax payments per harvest cycle:	(52)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	169	
6. Land value after property tax (adj. for income tax deduction):	<b>75</b>	<b>37</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	81	-	52	169	222
Subtotal:	81	-	52	169	222
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%:	139	-	90	-	90
Federal Income Tax on harvest revenue @ 35.0%:	-	499	499	-	499
Subtotal:	139	499	589	-	589
Totals:	220	499	642	169	811
Tax burden as percent of gross revenues:	15.4%	35.0%	45.0%	11.9%	56.9%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 2 - T1)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0.00	Prep./Plant	0	No	0	0	0	0	0
3.00	Spray	0	Yes	0	0	0	0	0
8.00	PCT		Yes	0	0	0	0	0
18.00	Fert.	0	Yes	0	0	0	0	0
26.00	Fert.		Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	\$1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
35	4.60	6.22	29	(3)	-	26	-	-		
	(PW -Cds)				(10)	16	46	62		
35	1.50	237.12	356	(35)	-	321	-	-		
	(S/Tbr - MBF)				(124)	197	571	767		
55	2.60	5.13	13	(1)	-	12	-	-		
	(PW -Cds)				(5)	7	8	16		
55	4.40	246.78	1,086	(106)	-	980	-	-		
	(S/Tbr - MBF)				(380)	600	679	1,278		
80	3.30	4.03	13	(1)	-	12	-	-		
	(PW -Cds)				(5)	7	0	7		
80	8.60	259.42	2,231	(218)	-	2,014	-	-		
	(S/Tbr - MBF)				(781)	1,233	0	1,233		
Total:		-	3,728	(363)	0	(1,305)	6	5,424	1,303	3,363

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	3,363	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	2,812	
4. Present value of net income before property tax:	274	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(3.02)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.96)	
Total property tax payments per harvest cycle:	(157)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	508	
6. Land value after property tax (adj. for income tax deduction):	<b>225</b>	<b>213</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	106	-	69	508	577
Subtotal:	106	-	69	508	577
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%	363	-	236	-	236
Federal Income Tax on harvest revenue @ 35.0%	-	1,305	1,305	-	1,305
Subtotal:	363	1,305	1,541	-	1,541
Totals:	469	1,305	1,610	508	2,118
Tax burden as percent of gross revenues:	12.6%	35.0%	43.2%	13.6%	56.8%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 2 - T2)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>							
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0
3	Spray	0	Yes	0	0	0	0
8	PCT	0	Yes	0	0	0	0
18	Fert.	0	Yes	0	0	0	0
26	Fert.	0	Yes	0	0	0	0
Subtotal:		0	-	0	0	0	0
Annual Expenses:							
Administration/management:		2.50	Yes	0.88	\$1.63	9	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	551
Total:		200	-	70.00	130.00	227	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
35	3.30	6.22	21	(2)	-	19	-	-		
	(PW -Cds)				(7)	11	33	44		
35	1.00	237.12	237	(23)	-	214	-	-		
	(S/Tbr - MBF)				(83)	131	380	511		
55	7.00	5.13	36	(4)	-	32	-	-		
	(PW -Cds)				(13)	20	22	42		
55	3.20	246.78	790	(77)	-	713	-	-		
	(S/Tbr - MBF)				(276)	436	493	930		
80	4.60	4.03	19	(2)	-	17	-	-		
	(PW -Cds)				(6)	10	0	10		
80	5.50	259.42	1,427	(139)	-	1,288	-	-		
	(S/Tbr - MBF)				(499)	788	0	788		
Total:		-	2,529	(247)	0	(885)	6	3,679	929	2,326

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	2,326	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	1,776	
4. Present value of net income before property tax:	173	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(2.01)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.31)	
Total property tax payments per harvest cycle:	(105)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	339	
6. Land value after property tax (adj. for income tax deduction):	<b>150</b>	<b>134</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		
	<u>State</u>	<u>Federal</u>	<u>Taxes</u>	<u>ccrued Intere</u>	<u>Total</u>
Cost-increasing:					
Property taxes on land:	70	-	46	339	385
Subtotal:	70	-	46	339	385
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%	247	-	160	-	160
Federal Income Tax on harvest revenue @ 35.0%	-	885	885	-	885
Subtotal:	247	885	1,045	-	1,045
Totals:	317	885	1,091	339	1,430
Tax burden as percent of gross revenues:	12.5%	35.0%	43.1%	13.4%	56.5%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 2 - T3)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>							
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0
3	Spray	0	Yes	0	0	0	0
8	PCT	0	Yes	0	0	0	0
18	Fert.	0	Yes	0	0	0	0
26	Fert.	0	Yes	0	0	0	0
Subtotal:		0	-	0	0	0	0
Annual Expenses:							
Administration/management:		2.50	Yes	0.88	\$1.63	9	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	551
Total:		200	-	70.00	130.00	227	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
45	3.10	5.65	18	(2)	-	16	-	-		
	(PW -Cds)				(6)	10	18	28		
45	0.80	241.90	194	(19)	-	175	-	-		
	(S/Tbr - MBF)				(68)	107	201	308		
80	15.40	4.03	62	(6)	-	56	-	-		
	(PW -Cds)				(22)	34	0	34		
80	3.70	259.42	960	(94)	-	866	-	-		
	(S/Tbr - MBF)				(336)	530	0	530		
Total:		-	1,233	(120)	0	(432)	4	1,794	220	901

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	901	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	350	
4. Present value of net income before property tax:	34	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(1.01)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.65)	
Total property tax payments per harvest cycle:	(52)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	169	
6. Land value after property tax (adj. for income tax deduction):	<b>75</b>	<b>26</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	81	-	52	169	222
Subtotal:	81	-	52	169	222
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%	120	-	78	-	78
Federal Income Tax on harvest revenue @ 35.0%	-	432	432	-	432
Subtotal:	120	432	510	-	510
Totals:	201	432	562	169	731
Tax burden as percent of gross revenues:	16.3%	35.0%	45.6%	13.7%	59.3%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 3 - T1)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0	0
3	Spray	0	Yes	0	0	0	0	0
8	PCT		Yes	0	0	0	0	0
18	Fert.	0	Yes	0	0	0	0	0
26	Fert.		Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	\$1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
35	4.60	4.79	22	(2)	-	20	-	-		
	(PW -Cds)				(8)	12	35	47		
35	1.50	334.59	502	(49)	-	453	-	-		
	(S/Tbr - MBF)				(176)	277	805	1,082		
55	2.60	3.95	10	(1)	-	9	-	-		
	(PW -Cds)				(4)	6	6	12		
55	4.40	348.23	1,532	(149)	-	1,383	-	-		
	(S/Tbr - MBF)				(536)	847	957	1,804		
80	3.30	3.10	10	(1)	-	9	-	-		
	(PW -Cds)				(4)	6	0	6		
80	8.60	366.07	3,148	(307)	-	2,841	-	-		
	(S/Tbr - MBF)				(1,102)	1,739	0	1,739		
Total:		-	5,225	(509)	0	(1,829)	6	7,602	1,804	4,691

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	4,691	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	4,140	
4. Present value of net income before property tax:	404	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(4.20)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(2.73)	
Total property tax payments per harvest cycle:	(219)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	708	
6. Land value after property tax (adj. for income tax deduction):	<b>313</b>	<b>313</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	147	-	96	708	803
Subtotal:	147	-	96	708	803
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%	509	-	331	-	331
Federal Income Tax on harvest revenue @ 35.0%	-	1,829	1,829	-	1,829
Subtotal:	509	1,829	2,160	-	2,160
Totals:	657	1,829	2,255	708	2,963
Tax burden as percent of gross revenues:	12.6%	35.0%	43.2%	13.5%	56.7%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 3 - T2)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0	0
3	Spray	0	Yes	0	0	0	0	0
8	PCT		Yes	0	0	0	0	0
18	Fert.	0	Yes	0	0	0	0	0
26	Fert.		Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	\$1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>		<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>		
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
35	3.30	4.79	16	(2)	-	14	-	-		
	(PW -Cds)				(6)	9	25	34		
35	1.00	334.59	335	(33)	-	302	-	-		
	(S/Tbr - MBF)				(117)	185	537	722		
55	7.00	3.95	28	(3)	-	25	-	-		
	(PW -Cds)				(10)	15	17	33		
55	3.20	348.23	1,114	(109)	-	1,006	-	-		
	(S/Tbr - MBF)				(390)	616	696	1,312		
80	4.60	3.10	14	(1)	-	13	-	-		
	(PW -Cds)				(5)	8	0	8		
80	5.50	366.07	2,013	(196)	-	1,817	-	-		
	(S/Tbr - MBF)				(705)	1,112	0	1,112		
Total:		-	3,520	(343)	0	(1,232)	6	5,122	1,276	3,221

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	3,221	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	2,670	
4. Present value of net income before property tax:	260	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(2.71)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.76)	
Total property tax payments per harvest cycle:	(141)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	456	
6. Land value after property tax (adj. for income tax deduction):	<b>202</b>	<b>202</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		
	<u>State</u>	<u>Federal</u>	<u>Taxes</u>	<u>ccrued Intere</u>	<u>Total</u>
Cost-increasing:					
Property taxes on land:	95	-	62	456	518
Subtotal:	95	-	62	456	518
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%	343	-	223	-	223
Federal Income Tax on harvest revenue @ 35.0%	-	1,232	1,232	-	1,232
Subtotal:	343	1,232	1,455	-	1,455
Totals:	438	1,232	1,517	456	1,973
Tax burden as percent of gross revenues:	12.4%	35.0%	43.1%	13.0%	56.1%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 3 - T3)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>							
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0
3	Spray	0	Yes	0	0	0	0
8	PCT		Yes	0	0	0	0
18	Fert.	0	Yes	0	0	0	0
26	Fert.		Yes	0	0	0	0
Subtotal:		0	-	0	0	0	0
Annual Expenses:							
Administration/management:		2.50	Yes	0.88	\$1.63	9	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	551
Total:		200	-	70.00	130.00	227	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
45	3.10	4.35	13	(1)	-	12	-	-		
	(PW -Cds)				(5)	7	14	21		
45	0.80	341.35	273	(27)	-	246	-	-		
	(S/Tbr - MBF)				(96)	151	284	435		
80	15.40	3.10	48	(5)	-	43	-	-		
	(PW -Cds)				(17)	26	0	26		
80	3.70	366.07	1,354	(132)	-	1,222	-	-		
	(S/Tbr - MBF)				(474)	748	0	748		
Total:		-	1,689	(165)	0	(591)	4	2,457	298	1,231

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	1,231	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	681	
4. Present value of net income before property tax:	66	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(1.01)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.65)	
Total property tax payments per harvest cycle:	(52)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	169	
6. Land value after property tax (adj. for income tax deduction):	<b>75</b>	<b>51</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		
	<u>State</u>	<u>Federal</u>	<u>Taxes</u>	<u>ccrued Intere</u>	<u>Total</u>
Cost-increasing:					
Property taxes on land:	81	-	52	169	222
Subtotal:	81	-	52	169	222
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%	165	-	107	-	107
Federal Income Tax on harvest revenue @ 35.0%	-	591	591	-	591
Subtotal:	165	591	698	-	698
Totals:	245	591	750	169	920
Tax burden as percent of gross revenues:	14.5%	35.0%	44.4%	10.0%	54.5%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 4 - T1)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0	0
3	Spray	0	Yes	0	0	0	0	0
8	PCT		Yes	0	0	0	0	0
18	Fert.	0	Yes	0	0	0	0	0
26	Fert.		Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	\$1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
35	4.60	4.48	21	(2)	-	19	-	-		
	(PW -Cds)				(7)	11	33	44		
35	1.50	277.46	416	(41)	-	376	-	-		
	(S/Tbr - MBF)				(146)	230	668	898		
55	2.60	3.70	10	(1)	-	9	-	-		
	(PW -Cds)				(3)	5	6	11		
55	4.40	288.78	1,271	(124)	-	1,147	-	-		
	(S/Tbr - MBF)				(445)	702	794	1,496		
80	3.30	2.91	10	(1)	-	9	-	-		
	(PW -Cds)				(3)	5	0	5		
80	8.60	303.57	2,611	(255)	-	2,356	-	-		
	(S/Tbr - MBF)				(914)	1,442	0	1,442		
Total:		-	4,337	(423)	0	(1,518)	6	6,311	1,501	3,897

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	3,897	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	3,346	
4. Present value of net income before property tax:	326	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(3.40)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(2.21)	
Total property tax payments per harvest cycle:	(177)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	572	
6. Land value after property tax (adj. for income tax deduction):	<b>253</b>	<b>253</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	119	-	77	572	649
Subtotal:	119	-	77	572	649
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%:	423	-	275	-	275
Federal Income Tax on harvest revenue @ 35.0%:	-	1,518	1,518	-	1,518
Subtotal:	423	1,518	1,793	-	1,793
Totals:	542	1,518	1,870	572	2,442
Tax burden as percent of gross revenues:	12.5%	35.0%	43.1%	13.2%	56.3%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 4 - T2)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0	0
3	Spray	0	Yes	0	0	0	0	0
8	PCT	0	Yes	0	0	0	0	0
18	Fert.	0	Yes	0	0	0	0	0
26	Fert.	0	Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	\$1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
35	3.30	4.48	15	(1)	-	13	-	-		
	(PW -Cds)				(5)	8	24	32		
35	1.00	277.46	277	(27)	-	250	-	-		
	(S/Tbr - MBF)				(97)	153	445	598		
55	7.00	3.70	26	(3)	-	23	-	-		
	(PW -Cds)				(9)	14	16	30		
55	3.20	288.78	924	(90)	-	834	-	-		
	(S/Tbr - MBF)				(323)	511	577	1,088		
80	4.60	2.91	13	(1)	-	12	-	-		
	(PW -Cds)				(5)	7	0	7		
80	5.50	303.57	1,670	(163)	-	1,507	-	-		
	(S/Tbr - MBF)				(584)	922	0	922		
Total:		-	2,925	(285)	0	(1,024)	6	4,256	1,062	2,679

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	2,679	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	2,128	
4. Present value of net income before property tax:	207	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(2.16)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.40)	
Total property tax payments per harvest cycle:	(112)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	364	
6. Land value after property tax (adj. for income tax deduction):	<b>161</b>	<b>161</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	76	-	49	364	413
Subtotal:	76	-	49	364	413
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%	285	-	185	-	185
Federal Income Tax on harvest revenue @ 35.0%	-	1,024	1,024	-	1,024
Subtotal:	285	1,024	1,209	-	1,209
Totals:	361	1,024	1,258	364	1,622
Tax burden as percent of gross revenues:	12.3%	35.0%	43.0%	12.4%	55.5%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 4 - T3)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0	0
3	Spray	0	Yes	0	0	0	0	0
8	PCT	0	Yes	0	0	0	0	0
18	Fert.	0	Yes	0	0	0	0	0
26	Fert.	0	Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	\$1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
45	3.10	4.07	13	(1)	-	11	-	-		
	(PW -Cds)				(4)	7	13	20		
45	0.80	283.06	226	(22)	-	204	-	-		
	(S/Tbr - MBF)				(79)	125	236	361		
80	15.40	2.91	45	(4)	-	40	-	-		
	(PW -Cds)				(16)	25	0	25		
80	3.70	303.57	1,123	(110)	-	1,014	-	-		
	(S/Tbr - MBF)				(393)	621	0	621		
Total:		-	1,407	(137)	0	(492)	4	2,047	249	1,026

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	1,026	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	475	
4. Present value of net income before property tax:	46	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(1.01)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.65)	
Total property tax payments per harvest cycle:	(52)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	169	
6. Land value after property tax (adj. for income tax deduction):	<b>75</b>	<b>36</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	81	-	52	169	222
Subtotal:	81	-	52	169	222
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%:	137	-	89	-	89
Federal Income Tax on harvest revenue @ 35.0%:	-	492	492	-	492
Subtotal:	137	492	582	-	582
Totals:	218	492	634	169	803
Tax burden as percent of gross revenues:	15.5%	35.0%	45.1%	12.0%	57.1%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 5 - T1)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0	0
3	Spray	0	Yes	0	0	0	0	0
8	PCT		Yes	0	0	0	0	0
18	Fert.	0	Yes	0	0	0	0	0
26	Fert.		Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	\$1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
35	4.60	5.09	23	(2)	-		21	-	-	
	(PW -Cds)				(8)	1	13	38	50	
35	1.50	246.63	370	(36)	-		334	-	-	
	(S/Tbr - MBF)				(129)	1	204	593	798	
55	2.60	4.19	11	(1)	-		10	-	-	
	(PW -Cds)				(4)	1	6	7	13	
55	4.40	256.69	1,129	(110)	-		1,019	-	-	
	(S/Tbr - MBF)				(395)	1	624	706	1,330	
80	3.30	3.30	11	(1)	-		10	-	-	
	(PW -Cds)				(4)	1	6	0	6	
80	8.60	269.83	2,321	(226)	-		2,094	-	-	
	(S/Tbr - MBF)				(812)	1	1,282	0	1,282	
Total:		-	3,865	(377)	0	(1,353)	6	5,624	1,344	3,479

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

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**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	3,479
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)
3. Net income before property tax:	2,928
4. Present value of net income before property tax:	285
5. Annual ad valorem property taxes:	
Property tax rate:	1.34%
Annual property tax payment:	(3.02)
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.96)
Total property tax payments per harvest cycle:	(157)
Accrued interest on out-of-pocket tax payments per harvest cycle:	508
6. Land value after property tax (adj. for income tax deduction):	<b>225</b>

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**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	106	-	69	508	577
Subtotal:	106	-	69	508	577
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%	377	-	245	-	245
Federal Income Tax on harvest revenue @ 35.0%	-	1,353	1,353	-	1,353
Subtotal:	377	1,353	1,598	-	1,598
Totals:	483	1,353	1,666	508	2,175
Tax burden as percent of gross revenues:	12.5%	35.0%	43.1%	13.2%	56.3%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 5 - T2)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0.00	Prep./Plant	0	No	0	0	0	0	0
3.00	Spray	0	Yes	0	0	0	0	0
8.00	PCT	0	Yes	0	0	0	0	0
18.00	Fert.	0	Yes	0	0	0	0	0
26.00	Fert.	0	Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	\$1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
35.00	3.30	5.09	17	(2)	-	15	-	-		
	(PW -Cds)				(6)	9	27	36		
35.00	1.00	246.63	247	(24)	-	223	-	-		
	(S/Tbr - MBF)				(86)	136	396	532		
55.00	7.00	4.19	29	(3)	-	26	-	-		
	(PW -Cds)				(10)	16	18	35		
55.00	3.20	256.69	821	(80)	-	741	-	-		
	(S/Tbr - MBF)				(287)	454	513	967		
80.00	4.60	3.30	15	(1)	-	14	-	-		
	(PW -Cds)				(5)	8	0	8		
80.00	5.50	269.83	1,484	(145)	-	1,339	-	-		
	(S/Tbr - MBF)				(519)	820	0	820		
Total:		-	2,613	(255)	0	(915)	6	3,803	954	2,398

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	2,398	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	1,847	
4. Present value of net income before property tax:	180	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(2.01)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.31)	
Total property tax payments per harvest cycle:	(105)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	339	
6. Land value after property tax (adj. for income tax deduction):	<b>150</b>	<b>140</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		
	<u>State</u>	<u>Federal</u>	<u>Taxes</u>	<u>ccrued Intere</u>	<u>Total</u>
Cost-increasing:					
Property taxes on land:	70	-	46	339	385
Subtotal:	70	-	46	339	385
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%:	255	-	166	-	166
Federal Income Tax on harvest revenue @ 35.0%:	-	915	915	-	915
Subtotal:	255	915	1,080	-	1,080
Totals:	325	915	1,126	339	1,465
Tax burden as percent of gross revenues:	12.4%	35.0%	43.1%	13.0%	56.1%

**Estimated Managed Timberland Value for Timber Production in West Virginia (REGION 5 - T3)**

**Step 1 - Investment Expenses, excluding Annual Property Tax--Harvest Age, 80 Years):**

<u>Out-of-Pocket Expenses:</u>								
<u>Age</u>	<u>Activity</u>	<u>Expense</u>	<u>Fed. Tax Deductible</u>	<u>Fed. Tax Benefit</u>	<u>Net Expense excl. Taxes</u>	<u>Accrued Interest on Fed. Benefit</u>	<u>Net Out.</u>	<u>Acc. Total at Harvest</u>
0	Prep./Plant	0	No	0	0	0	0	0
3	Spray	0	Yes	0	0	0	0	0
8	PCT	0	Yes	0	0	0	0	0
18	Fert.	0	Yes	0	0	0	0	0
26	Fert.	0	Yes	0	0	0	0	0
Subtotal:		0	-	0	0	0	0	0
Annual Expenses:								
Administration/management:		2.50	Yes	0.88	\$1.63	9	16	18
Subtotal (80 yrs.):		200	"	70.00	130.00	227	421	551
Total:		200	-	70.00	130.00	227	421	551

\*\*Interest rate used in computations is: 3.03%

**Step. 2 - Revenues and Federal and State Tax Treatment**

<u>Stand Age</u>	<u>Harvest Volume</u>	<u>Stumpage Price</u>	<u>Harvest Revenue</u>	<u>State and Federal Tax Payments:</u>			<u>Net Income After Tax</u>	<u>Accrued interest on Ne</u>	<u>Total Income</u>	
				<u>West Virginia State &amp; Sev Tax</u>	<u>Fed. Income Tax</u>					
45	3.10	4.62	14	(1)	-	13	-	-		
	(PW -Cds)				(5)	8	15	23		
45	0.80	251.61	201	(20)	-	182	-	-		
	(S/Tbr - MBF)				(70)	111	210	321		
80	15.40	3.30	51	(5)	-	46	-	-		
	(PW -Cds)				(18)	28	0	28		
80	3.70	269.83	998	(97)	-	901	-	-		
	(S/Tbr - MBF)				(349)	552	0	552		
Total:		-	1,265	(123)	0	(443)	4	1,840	224	923

1 Less Site Prep/Plant Expense and adjusted for fed. tax deduction.

**Step 3 - Estimated Timberland Value per Acre**

1. Total Income including accrued interest on net thinning income to final harvest:	923	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	372	
4. Present value of net income before property tax:	36	
5. Annual ad valorem property taxes:		
Property tax rate:	1.34%	
Annual property tax payment:	(1.01)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.65)	
Total property tax payments per harvest cycle:	(52)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	169	
6. Land value after property tax (adj. for income tax deduction):	<b>75</b>	<b>28</b>

**Step 4 - Tax Burden on T1 Mgd Forest Land**

	Total Tax Payments		Out-of-Pocket Expenses		Total
	State	Federal	Taxes	ccrued Intere	
Cost-increasing:					
Property taxes on land:	81	-	52	169	222
Subtotal:	81	-	52	169	222
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 9.75%:	123	-	80	-	80
Federal Income Tax on harvest revenue @ 35.0%:	-	443	443	-	443
Subtotal:	123	443	523	-	523
Totals:	204	443	575	169	745
Tax burden as percent of gross revenues:	16.1%	35.0%	45.5%	13.4%	58.9%