

**SUMMARY OF WEST VIRGINIA
MANAGED TIMBERLAND VALUES**

Tax Year 2008

CLASS II PROPERTIES

	<u>MANAGED TIMBERLAND VALUES</u>		
	T1	T2	T3
REGION 1	292	187	50
REGION 2	245	155	60
REGION 3	360	233	60
REGION 4	291	186	50
REGION 5	255	161	50

Key 2005 Managed Timberland Statistics

Estimation of Required Rate of Return: Class II 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 II Rate)

Year	Rate	W/A %	W/A Rate		
2006	0.726	33.33%	0.2420		
2005	0.738	26.67%	0.1968		
2004	0.744	20.00%	0.1488		
2003	0.744	13.33%	0.0992		
2002	0.744	6.67%	0.0496		
				0.736	%

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)

3.763 %

LESS: PROPERTY TAX COMPONENT

(0.736)

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

2006 Stumpage Prices:

	<u>Sawtimber</u>	<u>Pulpwood</u>			
Stumpage Price Adjustment Fac:	0.20%	-0.96%			
		1.0724	1.0941	1.1162	1.1733
SAWTIMBER	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

PULPWOOD:		\$/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

2005 Management Costs:

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

Tax Rates:

Effective Federal Income Tax Rate	35.00%
Effective WV State Income Tax Rate (6.5% * (1-.35))	4.23%
Effective WV Severance Tax Rate (6.0% * (1-.35))	3.90%

Yield (Volumes) (80 year rotation)

Timberland		Yield - MBF	Yield - Cords
Productivity Grades	Site Index		
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 2005 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
	356,505.39			257.70

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
	116,168.30			8.91

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
	622,420.08			221.10

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
	87,954.08			8.72

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
	1,251,285.70			311.99

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
	671,440.60			6.71

REGION 4 - Sawtimber

Year	Volume	\$/MBF	W/A%	\$/MBF
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
	426,556.41			258.72

REGION 4 - Pulpwood

Year	Volume	\$/CORD	W/A%	\$/CORD
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
	67,786.20			6.29

REGION 5 - Sawtimber

Year	Volume	\$/MBF	W/A%	\$/MBF
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
	520,577.67			229.97

REGION 5 - Pulpwood

Year	Volume	\$/CORD	W/A%	\$/CORD
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
	209,386.84			7.13

* 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 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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35	4.60	6.36	29	(2)	-		27	-	-	
	(PW -Cds)				(10)	1	17	48	65	
35	1.50	276.37	415	(34)	-		381	-	-	
	(S/Tbr - MBF)				(145)	1	236	685	920	
55	2.60	5.24	14	(1)	-		13	-	-	
	(PW -Cds)				(5)	1	8	9	17	
55	4.40	287.64	1,266	(103)	-		1,163	-	-	
	(S/Tbr - MBF)				(443)	1	720	814	1,534	
80	3.30	4.12	14	(1)	-		12	-	-	
	(PW -Cds)				(5)	1	8	0	8	
80	8.60	302.37	2,600	(211)	-		2,389	-	-	
	(S/Tbr - MBF)				(910)	1	1,479	0	1,479	
	10.50									
Total:		14.50	4,337	(352)	0	(1,518)	6	6,451	1,556	4,022

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:	4,022	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	3,472	
4. Present value of net income before property tax:	338	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(2.15)	
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:	362	
6. Land value after property tax (adj. for income tax deduction):	292	292

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:	75	-	49	362	411
Subtotal:	75	-	49	362	411
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	352	-	229	-	229
Federal Income Tax on harvest revenue @ 35.0%	-	1,518	1,518	-	1,518
Subtotal:	352	1,518	1,747	-	1,747
Totals:	428	1,518	1,796	362	2,158
Tax burden as percent of gross revenues:	9.9%	35.0%	41.4%	8.4%	<u>49.8%</u>

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		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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35	3.30	6.36	21	(2)	-	19	-	-		
	(PW -Cds)				(7)	12	35	47		
35	1.00	276.37	276	(22)	-	254	-	-		
	(S/Tbr - MBF)				(97)	157	456	614		
55	7.00	5.24	37	(3)	-	34	-	-		
	(PW -Cds)				(13)	21	24	44		
55	3.20	287.64	920	(74.79)	-	846	-	-		
	(S/Tbr - MBF)				(322.16)	524	592	1,116		
80	4.60	4.12	19	(2)	-	17	-	-		
	(PW -Cds)				(7)	11	0	11		
80	5.50	302.37	1,663	(135)	-	1,528	-	-		
	(S/Tbr - MBF)				(582)	946	0	946		
	14.90									
Total:		9.70	2,936	(239)	0	(1,028)	6	4,368	1,107	2,777

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:	2,777	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	2,226	
4. Present value of net income before property tax:	217	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(1.38)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.90)	
Total property tax payments per harvest cycle:	(72)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	232	
6. Land value after property tax (adj. for income tax deduction):	187	187

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:	48	-	31	232	264
Subtotal:	48	-	31	232	264
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	239	-	155	-	155
Federal Income Tax on harvest revenue @ 35.0%	-	1,028	1,028	-	1,028
Subtotal:	239	1,028	1,183	-	1,183
Totals:	287	1,028	1,214	232	1,446
Tax burden as percent of gross revenues:	9.8%	35.0%	41.4%	7.9%	49.3%

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>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 & Sev Tax</u>	<u>Fed. Income Tax</u>			
45	3.10	5.77	18	(1)	-	16	-	-
	(PW -Cds)				(6)	10	19	29
45	0.80	281.95	226	(18)	-	207	-	-
	(S/Tbr - MBF)				(79)	128	242	370
80	15.40	4.12	63	(5)	-	58	-	-
	(PW -Cds)				(22)	36	0	36
80	3.70	302.37	1,119	(91)	-	1,028	-	-
	(S/Tbr - MBF)				(392)	636	0	636
	18.50							
Total:	4.50	-	1,426	(116)	0	(499)	4	2,121
							261	1,072

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:	1,072
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)
3. Net income before property tax:	521
4. Present value of net income before property tax:	51
5. Annual ad valorem property taxes:	
Property tax rate:	0.74%
Annual property tax payment:	(0.37)
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.24)
Total property tax payments per harvest cycle:	(19)
Accrued interest on out-of-pocket tax payments per harvest cycle:	62
6. Land value after property tax (adj. for income tax deduction):	50

44

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:	29	-	19	62	81
Subtotal:	29	-	19	62	81
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	116	-	75	-	75
Federal Income Tax on harvest revenue @ 35.0%	-	499	499	-	499
Subtotal:	116	499	574	-	574
Totals:	145	499	593	62	655
Tax burden as percent of gross revenues:	10.2%	35.0%	41.6%	4.3%	46.0%

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>Acc. Total at Harvest</u>
0.00	Prep./Plant	0	No	0	0	0	0
3.00	Spray	0	Yes	0	0	0	0
8.00	PCT	0	Yes	0	0	0	0
18.00	Fert.	0	Yes	0	0	0	0
26.00	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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35	4.60	6.22	29	(2)	-	26	-	-		
	(PW -Cds)				(10)	16	47	64		
35	1.50	237.12	356	(29)	-	327	-	-		
	(S/Tbr - MBF)				(124)	202	587	790		
55	2.60	5.13	13	(1)	-	12	-	-		
	(PW -Cds)				(5)	8	9	16		
55	4.40	246.78	1,086	(88)	-	998	-	-		
	(S/Tbr - MBF)				(380)	618	699	1,316		
80	3.30	4.03	13	(1)	-	12	-	-		
	(PW -Cds)				(5)	8	0	8		
80	8.60	259.42	2,231	(181)	-	2,050	-	-		
	(S/Tbr - MBF)				(781)	1,269	0	1,269		
Total:		-	3,728	(303)	0	(1,305)	6	5,545	1,342	3,462

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:	3,462	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	2,911	
4. Present value of net income before property tax:	284	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(1.80)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.17)	
Total property tax payments per harvest cycle:	(94)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	304	
6. Land value after property tax (adj. for income tax deduction):	245	245

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:	63	-	41	304	345
Subtotal:	63	-	41	304	345
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	303	-	197	-	197
Federal Income Tax on harvest revenue @ 35.0%	-	1,305	1,305	-	1,305
Subtotal:	303	1,305	1,502	-	1,502
Totals:	366	1,305	1,543	304	1,846
Tax burden as percent of gross revenues:	9.8%	35.0%	41.4%	8.1%	49.5%

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>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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35	3.30	6.22	21	(2)	-	19	-	-		
	(PW -Cds)				(7)	12	34	46		
35	1.00	237.12	237	(19)	-	218	-	-		
	(S/Tbr - MBF)				(83)	135	392	526		
55	7.00	5.13	36	(3)	-	33	-	-		
	(PW -Cds)				(13)	20	23	44		
55	3.20	246.78	790	(64)	-	726	-	-		
	(S/Tbr - MBF)				(276)	449	508	957		
80	4.60	4.03	19	(2)	-	17	-	-		
	(PW -Cds)				(6)	11	0	11		
80	5.50	259.42	1,427	(116)	-	1,311	-	-		
	(S/Tbr - MBF)				(499)	812	0	812		
Total:		-	2,529	(205)	0	(885)	6	3,761	957	2,395

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:	2,395	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	1,844	
4. Present value of net income before property tax:	180	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(1.14)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.74)	
Total property tax payments per harvest cycle:	(59)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	192	
6. Land value after property tax (adj. for income tax deduction):	155	155

Step 4 - Tax Burden on T1 Mgd Forest Land

	Total Tax Payments		Out-of-Pocket Expenses		
	State	Federal	Taxes	ccrued Intere	Total
Cost-increasing:					
Property taxes on land:	40	-	26	192	218
Subtotal:	40	-	26	192	218
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	205	-	134	-	134
Federal Income Tax on harvest revenue @ 35.0%	-	885	885	-	885
Subtotal:	205	885	1,019	-	1,019
Totals:	245	885	1,045	192	1,237
Tax burden as percent of gross revenues:	9.7%	35.0%	41.3%	7.6%	48.9%

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>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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
45	3.10	5.65	18	(1)	-	16	-	-		
	(PW -Cds)				(6)	10	19	29		
45	0.80	241.90	194	(16)	-	178	-	-		
	(S/Tbr - MBF)				(68)	110	207	317		
80	15.40	4.03	62	(5)	-	57	-	-		
	(PW -Cds)				(22)	35	0	35		
80	3.70	259.42	960	(78)	-	882	-	-		
	(S/Tbr - MBF)				(336)	546	0	546		
Total:		-	1,233	(100)	0	(432)	4	1,834	226	927

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:	927	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	377	
4. Present value of net income before property tax:	37	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(0.37)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.24)	
Total property tax payments per harvest cycle:	(19)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	62	
6. Land value after property tax (adj. for income tax deduction):	50	32

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:	29	-	19	62	81
Subtotal:	29	-	19	62	81
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	100	-	65	-	65
Federal Income Tax on harvest revenue @ 35.0%	-	432	432	-	432
Subtotal:	100	432	497	-	497
Totals:	130	432	516	62	578
Tax burden as percent of gross revenues:	10.5%	35.0%	41.8%	5.0%	46.9%

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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35	4.60	4.79	22	(2)	-		20	-	-	
	(PW -Cds)				(8)	1	13	36	49	
35	1.50	334.59	502	(41)	-		461	-	-	
	(S/Tbr - MBF)				(176)	1	285	829	1,114	
55	2.60	3.95	10	(1)	-		9	-	-	
	(PW -Cds)				(4)	1	6	7	12	
55	4.40	348.23	1,532	(124)	-		1,408	-	-	
	(S/Tbr - MBF)				(536)	1	871	986	1,857	
80	3.30	3.10	10	(1)	-		9	-	-	
	(PW -Cds)				(4)	1	6	0	6	
80	8.60	366.07	3,148	(256)	-		2,892	-	-	
	(S/Tbr - MBF)				(1,102)	1	1,791	0	1,791	
Total:		-	5,225	(425)	0	(1,829)	6	7,772	1,857	4,829

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:	4,829	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	4,278	
4. Present value of net income before property tax:	417	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(2.65)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.72)	
Total property tax payments per harvest cycle:	(138)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	446	
6. Land value after property tax (adj. for income tax deduction):	360	360

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:	93	-	60	446	507
Subtotal:	93	-	60	446	507
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	425	-	276	-	276
Federal Income Tax on harvest revenue @ 35.0%	-	1,829	1,829	-	1,829
Subtotal:	425	1,829	2,105	-	2,105
Totals:	517	1,829	2,165	446	2,611
Tax burden as percent of gross revenues:	9.9%	35.0%	41.4%	8.5%	50.0%

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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35	3.30	4.79	16	(1)	-	15	-	-		
	(PW -Cds)				(6)	9	26	35		
35	1.00	334.59	335	(27)	-	307	-	-		
	(S/Tbr - MBF)				(117)	190	553	743		
55	7.00	3.95	28	(2)	-	25	-	-		
	(PW -Cds)				(10)	16	18	33		
55	3.20	348.23	1,114	(91)	-	1,024	-	-		
	(S/Tbr - MBF)				(390)	634	717	1,351		
80	4.60	3.10	14	(1)	-	13	-	-		
	(PW -Cds)				(5)	8	0	8		
80	5.50	366.07	2,013	(164)	-	1,850	-	-		
	(S/Tbr - MBF)				(705)	1,145	0	1,145		
Total:		-	3,520	(286)	0	(1,232)	6	5,236	1,313	3,315

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:	3,315	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	2,764	
4. Present value of net income before property tax:	269	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(1.71)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.11)	
Total property tax payments per harvest cycle:	(89)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	288	
6. Land value after property tax (adj. for income tax deduction):	233	233

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:	60	-	39	288	327
Subtotal:	60	-	39	288	327
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%:	286	-	186	-	186
Federal Income Tax on harvest revenue @ 35.0%:	-	1,232	1,232	-	1,232
Subtotal:	286	1,232	1,418	-	1,418
Totals:	346	1,232	1,457	288	1,745
Tax burden as percent of gross revenues:	9.8%	35.0%	41.4%	8.2%	49.6%

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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
45	3.10	4.35	13	(1)	-	12	-	-		
	(PW -Cds)				(5)	8	14	22		
45	0.80	341.35	273	(22)	-	251	-	-		
	(S/Tbr - MBF)				(96)	155	293	448		
80	15.40	3.10	48	(4)	-	44	-	-		
	(PW -Cds)				(17)	27	0	27		
80	3.70	366.07	1,354	(110)	-	1,244	-	-		
	(S/Tbr - MBF)				(474)	770	0	770		
Total:		-	1,689	(137)	0	(591)	4	2,512	307	1,268

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:	1,268	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	717	
4. Present value of net income before property tax:	70	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(0.44)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.29)	
Total property tax payments per harvest cycle:	(23)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	75	
6. Land value after property tax (adj. for income tax deduction):	60	60

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:	36	-	23	75	98
Subtotal:	36	-	23	75	98
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	137	-	89	-	89
Federal Income Tax on harvest revenue @ 35.0%	-	591	591	-	591
Subtotal:	137	591	680	-	680
Totals:	173	591	703	75	778
Tax burden as percent of gross revenues:	10.2%	35.0%	41.6%	4.4%	46.1%

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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35	4.60	4.48	21	(2)	-	19	-	-		
	(PW -Cds)				(7)	12	34	46		
35	1.50	277.46	416	(34)	-	382	-	-		
	(S/Tbr - MBF)				(146)	237	687	924		
55	2.60	3.70	10	(1)	-	9	-	-		
	(PW -Cds)				(3)	5	6	12		
55	4.40	288.78	1,271	(103)	-	1,167	-	-		
	(S/Tbr - MBF)				(445)	723	817	1,540		
80	3.30	2.91	10	(1)	-	9	-	-		
	(PW -Cds)				(3)	5	0	5		
80	8.60	303.57	2,611	(212)	-	2,399	-	-		
	(S/Tbr - MBF)				(914)	1,485	0	1,485		
Total:		-	4,337	(352)	0	(1,518)	6	6,452	1,545	4,012

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:	4,012	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	3,461	
4. Present value of net income before property tax:	337	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(2.15)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.39)	
Total property tax payments per harvest cycle:	(112)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	361	
6. Land value after property tax (adj. for income tax deduction):	291	291

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:	75	-	49	361	410
Subtotal:	75	-	49	361	410
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	352	-	229	-	229
Federal Income Tax on harvest revenue @ 35.0%	-	1,518	1,518	-	1,518
Subtotal:	352	1,518	1,747	-	1,747
Totals:	427	1,518	1,796	361	2,157
Tax burden as percent of gross revenues:	9.9%	35.0%	41.4%	8.3%	49.7%

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		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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35	3.30	4.48	15	(1)	-		14	-	-	
	(PW -Cds)				(5)	1	8	24	33	
35	1.00	277.46	277	(23)	-		255	-	-	
	(S/Tbr - MBF)				(97)	1	158	458	616	
55	7.00	3.70	26	(2)	-		24	-	-	
	(PW -Cds)				(9)	1	15	17	31	
55	3.20	288.78	924	(75)	-		849	-	-	
	(S/Tbr - MBF)				(323)	1	526	594	1,120	
80	4.60	2.91	13	(1)	-		12	-	-	
	(PW -Cds)				(5)	1	8	0	8	
80	5.50	303.57	1,670	(136)	-		1,534	-	-	
	(S/Tbr - MBF)				(584)	1	950	0	950	
Total:		-	2,925	(238)	0	(1,024)	6	4,351	1,094	2,757

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:	2,757	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	2,207	
4. Present value of net income before property tax:	215	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(1.37)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.89)	
Total property tax payments per harvest cycle:	(71)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	230	
6. Land value after property tax (adj. for income tax deduction):	186	186

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:	48	-	31	230	261
Subtotal:	48	-	31	230	261
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	238	-	154	-	154
Federal Income Tax on harvest revenue @ 35.0%	-	1,024	1,024	-	1,024
Subtotal:	238	1,024	1,178	-	1,178
Totals:	286	1,024	1,209	230	1,440
Tax burden as percent of gross revenues:	9.8%	35.0%	41.3%	7.9%	49.2%

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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
45	3.10	4.07	13	(1)	-	12	-	-		
	(PW -Cds)				(4)	7	14	21		
45	0.80	283.06	226	(18)	-	208	-	-		
	(S/Tbr - MBF)				(79)	129	243	371		
80	15.40	2.91	45	(4)	-	41	-	-		
	(PW -Cds)				(16)	25	0	25		
80	3.70	303.57	1,123	(91)	-	1,032	-	-		
	(S/Tbr - MBF)				(393)	639	0	639		
Total:		-	1,407	(114)	0	(492)	4	2,093	256	1,056

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:	1,056	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	506	
4. Present value of net income before property tax:	49	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(0.37)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.24)	
Total property tax payments per harvest cycle:	(19)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	62	
6. Land value after property tax (adj. for income tax deduction):	50	43

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:	29	-	19	62	81
Subtotal:	29	-	19	62	81
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	114	-	74	-	74
Federal Income Tax on harvest revenue @ 35.0%	-	492	492	-	492
Subtotal:	114	492	567	-	567
Totals:	144	492	586	62	648
Tax burden as percent of gross revenues:	10.2%	35.0%	41.6%	4.4%	46.0%

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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35	4.60	5.09	23	(2)	-	21	-	-		
	(PW -Cds)				(8)	13	39	52		
35	1.50	246.63	370	(30)	-	340	-	-		
	(S/Tbr - MBF)				(129)	210	611	821		
55	2.60	4.19	11	(1)	-	10	-	-		
	(PW -Cds)				(4)	6	7	13		
55	4.40	256.69	1,129	(92)	-	1,038	-	-		
	(S/Tbr - MBF)				(395)	642	727	1,369		
80	3.30	3.30	11	(1)	-	10	-	-		
	(PW -Cds)				(4)	6	0	6		
80	8.60	269.83	2,321	(189)	-	2,132	-	-		
	(S/Tbr - MBF)				(812)	1,320	0	1,320		
Total:		-	3,865	(314)	0	(1,353)	6	5,749	1,383	3,581

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:	3,581	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	3,031	
4. Present value of net income before property tax:	295	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(1.88)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(1.22)	
Total property tax payments per harvest cycle:	(98)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	316	
6. Land value after property tax (adj. for income tax deduction):	255	255

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:	66	-	43	316	359
Subtotal:	66	-	43	316	359
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	314	-	204	-	204
Federal Income Tax on harvest revenue @ 35.0%	-	1,353	1,353	-	1,353
Subtotal:	314	1,353	1,557	-	1,557
Totals:	380	1,353	1,600	316	1,916
Tax burden as percent of gross revenues:	9.8%	35.0%	41.4%	8.2%	49.6%

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		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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
35.00	3.30	5.09	17	(1)	-	15	-	-		
	(PW -Cds)				(6)	10	28	37		
35.00	1.00	246.63	247	(20)	-	227	-	-		
	(S/Tbr - MBF)				(86)	140	407	548		
55.00	7.00	4.19	29	(2)	-	27	-	-		
	(PW -Cds)				(10)	17	19	36		
55.00	3.20	256.69	821	(67)	-	755	-	-		
	(S/Tbr - MBF)				(287)	467	528	996		
80.00	4.60	3.30	15	(1)	-	14	-	-		
	(PW -Cds)				(5)	9	0	9		
80.00	5.50	269.83	1,484	(121)	-	1,364	-	-		
	(S/Tbr - MBF)				(519)	844	0	844		
Total:		-	2,613	(212)	0	(915)	6	3,887	982	2,469

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:	2,469	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	1,918	
4. Present value of net income before property tax:	187	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(1.19)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.77)	
Total property tax payments per harvest cycle:	(62)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	200	
6. Land value after property tax (adj. for income tax deduction):	161	161

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:	42	-	27	200	227
Subtotal:	42	-	27	200	227
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	212	-	138	-	138
Federal Income Tax on harvest revenue @ 35.0%	-	915	915	-	915
Subtotal:	212	915	1,053	-	1,053
Totals:	254	915	1,080	200	1,280
Tax burden as percent of gross revenues:	9.7%	35.0%	41.3%	7.7%	49.0%

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		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 & Sev Tax</u>	<u>Fed. Income Tax</u>					
45	3.10	4.62	14	(1)	-		13	-	-	
	(PW -Cds)				(5)	1	8	15	23	
45	0.80	251.61	201	(16)	-		185	-	-	
	(S/Tbr - MBF)				(70)	1	114	216	330	
80	15.40	3.30	51	(4)	-		47	-	-	
	(PW -Cds)				(18)	1	29	0	29	
80	3.70	269.83	998	(81)	-		917	-	-	
	(S/Tbr - MBF)				(349)	1	568	0	568	
Total:		-	1,265	(103)	0	(443)	4	1,881	231	950

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:	950	
2. Out-of-pocket expenses (silvicultural activities and taxes) and accrued interest:	(551)	
3. Net income before property tax:	400	
4. Present value of net income before property tax:	39	
5. Annual ad valorem property taxes:		
Property tax rate:	0.74%	
Annual property tax payment:	(0.37)	
Annual property tax payment adjusted for fed. inc. tax deduction:	(0.24)	
Total property tax payments per harvest cycle:	(19)	
Accrued interest on out-of-pocket tax payments per harvest cycle:	62	
6. Land value after property tax (adj. for income tax deduction):	50	34

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:	29	-	19	62	81
Subtotal:	29	-	19	62	81
Revenue-reducing:					
West Virginia State Inc. & Sev. Tax on harvest revenue @ 8.13%	103	-	67	-	67
Federal Income Tax on harvest revenue @ 35.0%	-	443	443	-	443
Subtotal:	103	443	509	-	509
Totals:	132	443	529	62	591
Tax burden as percent of gross revenues:	10.5%	35.0%	41.8%	4.9%	46.7%