

September 18, 2012

The Honorable Dave Camp
House Ways and Means Committee
341 Cannon House Office Building
Washington, D.C. 20515

The Honorable Sander Levin
House Ways and Means Committee
1236 Longworth House Office Building
Washington, D.C. 20515

Re: Keep the Forest in the Family Estate Tax Act

Dear Chairman Camp and Ranking Member Levin:

We the undersigned forestry and conservation organizations are writing to express our support for the *Keep the Forest and the Farm in the Family Act of 2012*, H.R. 6439. Our organizations strongly support the bill, which makes significant improvements in the estate tax to help forest owners keep their forest a working forest and pass their heritage onto the next generation.

Unfortunately, the federal estate tax threatens forests across America. Families and individuals own more forest acreage in the U.S. than the federal government or private industry and many have few other assets besides their land. If a forest owner has no other assets to pay the estate tax, they are often faced with selling their forest land or harvesting their timber before its ready—threatening the wildlife habitat, air and water quality that come from forests—as well as the rural jobs, and forest products industry that rely on these forests.

If passed, the *Keep the Forest and the Farm in the Family Act of 2012*, would reduce the estate tax burden on America's forest owners and help conserve America's working forests. The bill fixes existing problems and addresses complications for forest owners with special use valuation under the current estate tax law. Under special use valuation, an heir can value their forest land at its current use value instead of its fair market value for estate tax purposes, reducing the value of their estate by up to \$1 million—thus reducing their estate tax burden by as much as \$350,000.

In order to qualify for special use valuation, the heir also must agree to keep their forest in the family and keep it as a working forest for at least the first decade. Unfortunately, timber harvesting penalties in the current law make it difficult for the forest owner to keep the forest as a working forest. The *Keep the Forest and the Farm in the Family Act of 2012* would allow forest owners under special use valuation to keep their forest working and to harvest timber within the first decade provided they do so sustainably.

The *Keep the Forest and the Farm in the Family Act of 2012* also begins to address other complications and barriers that limit forest owner use of special use valuation, including the variability and difficulty with valuing forestland and some of the requirements forest owners must meet to qualify for special use valuation.

Every American, whether we know it or not, relies on forest owners, to provide clean water and air, wildlife habitat, forest products we use every day, and places to hike, hunt, and fish. This legislation provides an important fix to help families and individuals keep their lands intact so they can continue to provide these important societal benefits.

Thank you for your consideration of this important legislation that will help conserve and sustain America's working forests.

Sincerely,

American Forest & Paper Association
American Forest Foundation
American Loggers Council
Arkansas Forestry Association
Association of Consulting Foresters
California Farm Bureau Federation
California Forestry Association
Empire State Forest Products Association
Florida Forestry Association
Forest and Woodland Association of Missouri
Forest Resources Association
Great Lakes Forest Alliance
Idaho Forest Owners Association
Intermountain Forest Association
Kentucky Forest Industries Association
Land Trust Alliance
Louisiana Forestry Association
Lyme Timber Company
Maine Forest Products Council
Massachusetts Forest Alliance
Michigan Forest Association
Minnesota Forestry Association
Minnesota Forest Industries
Minnesota Timber Producers Association
Mississippi Forestry Association
Mississippi River Trust
National Association of Conservation Districts
National Association of State Foresters
National Association of University Forest Resources Programs
National Alliance of Forest Owners
National Hardwood Lumber Association
National Lumber & Building Material Dealers Association
National Woodland Owners Association
New England Forestry Foundation
North Carolina Association of Professional Loggers
Ohio Forestry Association
Oregon Small Woodlands Association

Pacific Forest Trust
Ruffed Grouse Society
Small Woodland Owners Association of Maine
Society of American Foresters
Southeastern Lumber Manufacturers Association
South Carolina Forestry Association
Tennessee Forestry Association
Texas Forestry Association
Virginia Forestry Association
Washington Farm Forestry Association
Wildlife Mississippi
Window & Door Manufacturers Association
Wisconsin Woodland Owners Association