



Mr. Robert H. Gustafson

December 11, 1979

Ken McManigal

**Immediate Harvest Value - Revenue and Taxation Code
Section 434.5(f)**

At the November 14, 1979, Timber Advisory Committee Meeting, an opinion was requested as to whether "immediate harvest value", as used in Revenue and Taxation Code Section 434.5(f), can be read to mean immediate harvest value as determined from reported volumes of timber harvested from private land rather than immediate harvest value as determined from reported volumes of timber harvested from both private and public land.

We do not believe that it can be. As you are aware, we believe that the definition of immediate harvest value set forth in Revenue and Taxation Code Section 38109 is applicable to "immediate harvest value" as used in Section 434.5(f). Per Section 38109, "immediate harvest value" means the amount that each species or subclassification of timber would sell for on the stump at a voluntary sale made in the ordinary course of business for purposes of immediate harvest. The section goes on to provide that such values shall be determined in a manner which makes reasonable and adequate allowances for age, size, quality, costs of removal, accessibility to point of conversion, market conditions, and all other relevant factors as determined by the Board.

This the Timber Tax Division has done in preparing estimated immediate harvest values every six months as required by Revenue and Taxation Code Section 38204. In so doing, no distinction has been made between reported volumes of timber harvested from private land and reported volumes of timber harvested from public land, nor do Sections 38204, 38109 or other sections of the Code provide for such a differentiation. Rather, immediate harvest values, as estimated primarily for young growth and for old growth timber, are applicable to both timber harvested from private land and timber harvested from public land. In the determination of value of timberland under Section 434.5 as well as in the determination of the value of timber, no deviation should be made from the definition of "immediate harvest value", absent statutory authority for doing so.

JKM:fr

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