



## STATE BOARD OF EQUALIZATION

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March 24, 1977

**RECEIVED**

MAR 24 1977

Timber Tax Division  
State Board Equalization

Honorable Ray Johnson  
State Senator  
State Capitol  
Sacramento, California 95814

Dear Senator Johnson:

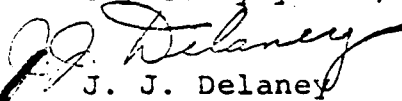
Mr. Paul Crebbin of our Timber Tax Division is absent from the office today and requested that I contact you concerning the Board's definition of the term "harvesting" for purposes of the timber yield tax. Apparently one of your constituents, Mr. Arthur Hall, feels that we are interpreting the term differently than is the Department of Conservation.

As pointed out in the attached copy of a letter from Mr. Crebbin to Mr. Hall, dated February 23, 1977, we view harvesting as a series of acts beginning with the cutting of a tree, bucking and hauling from the cutting area. In checking the Forest Practice Act in the Public Resources Code, I determined that harvesting is not defined. Likewise, forest practice regulations do not define that term. The term "timber operations" is defined to mean "... the cutting or removal or both of timber...." Obviously, the Department of Conservation wishes to define timber operations broadly so as to bring most operators within the ambit of their regulations.

Our definition is in accord with general dictionary definitions in that it views harvesting as more than just felling trees. We are at a loss to understand Mr. Hall's concern since using our definition no timber would be subject to tax unless harvested after April 1, 1977. Since harvesting begins with the cutting of the tree, tax would not apply to timber cut before that date. I believe that the second sentence of the second paragraph in Mr. Crebbin's letter makes this very clear.

I hope the above comments serve your needs. If not, I would be glad to comment further to you or correspond directly with Mr. Hall.

Very truly yours,

  
J. J. Delaney  
Chief Counsel

JJD RW  
Enclosure

cc: Mr. W. W. Dunlop  
Mr. Paul Crebbin

(916) 445-6964

February 23, 1977

Dear Mr. \_\_\_\_\_:

In answer to your letter of February 16, 1977, concerning the word harvested, it is our thought at this time that harvesting entails something more than severing the tree from the roots. We believe it would also include logging and probably be further interpreted as removal of the logs from the cutting area.

Of immediate concern now is the April 1, 1977 date. All timber cut on or after April 1, 1977, and all downed or felled timber, for which title is acquired on or after that date, will be subject to the yield tax. It is essential that you maintain records in such a manner that the volume cut before April 1 can be definitely determined from that volume which is cut on or after that date.

Please find enclosed a copy of AB 1258, Chapter 176.

Sincerely,

Paul E. Crebbin, Chief  
Timber Tax Division

Enclosure

PEC:mh