Georgia Timber Tax Credit Program

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Forests and orchards damaged by Hurricane Michael can qualify:
- timber grown for the primary purpose of commercial production of food or wood or wood fiber products
- grown as part of a trade or business for profit

Must be owner or lessee:
- lessee can claim casualty loss only if proof of contractual liability to the owner for damage
• Limited to the 28 counties included in the Governor’s disaster declaration area: Baker, Bleckley, Brooks, Calhoun, Clay, Colquitt, Crisp, Decatur, Dodge, Dooly, Dougherty, Early, Grady, Laurens, Lee, Lowndes, Miller, Mitchell, Pulaski, Randolph, Seminole, Sumter, Terrell, Thomas, Tift, Turner, Wilcox, and Worth
GA Timber Tax Credit Program Overview

- Maximum of $200 million in tax credits
  - prorate applications if they exceed this amount

The tax credit is based on the diminution of timber value, not to exceed $400 per affected acre of eligible timber property.
  - diminution of value - describes a measure of value lost due to a circumstance or set of circumstances that caused the loss.
  - determined by a competent appraiser
  - as reported on IRS Form 4684
GA Timber Tax Credit Program Overview

- Credits can only be claimed in the taxable year in which the taxpayer first completes the replanting of timber
  - In a quantity projected to yield at maturity at least 90 percent of the value of the timber casualty loss claimed

- Must be within the same county in which the eligible timber property was being grown when the timber casualty loss was incurred.

- Credits must be claimed by December 31, 2024

- The tax credit is refundable & transferrable
  - If credit exceeds tax liability, the taxpayer will be issued a payment for the difference.
• Apply online through the GA DOR’s Georgia Tax Center

• Initial period runs from March 1, 2019 to May 31, 2019

• Second sign-up, if needed, from July 1, 2019 to December 31, 2019

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Questions?

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