

## Contact

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## Timber Law

Owners of timberland can face a number of tax issues and opportunities, some of which are unique to owning this type of property, and others of which have broad application to many property and business owners. We help our clients effectively address potential tax consequences of owning interests in timber property, including pitfalls to avoid. We also help them choose planning incentives and consider opportunities, including state tax credits, estate planning opportunities, and federal income tax deductions for contributions of conservation easements.

### Areas of Expertise

#### Income Tax Issues:

- Capital Gain vs. Ordinary Income
- Capitalization and Depletion
- Election to Treat Cutting as Sale or Exchange
- Election for Sales of Timber Under PayAsCut Contract
- Long Term Timber Leases
- LikeKind Exchanges
- Charitable Contribution Deductions
- Reforestation Expenditures
- Captive Insurance Companies
- Conservation Easements

#### Estate and Gift Tax Issues:

- Valuation
- Special Use Valuation
- Family Limited Partnerships
- Gifts and Sales to Irrevocable Trusts
- Charitable Trusts
- Liquidity Issues

### Representative Matters

- *Butler v. Commissioner*, T.C. Memo. 201272 (taxpayer shifted burden of proof as to conservation easement, satisfied conservation purposes, and established value of easement on rural land with no change in highest and best use);
- *Smalley v. Commissioner*, 116 T.C. 450 (2001) (likekind exchange of Georgia standing timber contract for timber);

## Timber Law, Continued

- *Shepherd v. Commissioner*, 115 T.C. 376 (2000) *affd* 283 F.3d 1258 (11<sup>th</sup> Cir. 2002) (valuation of and subject to long term timber lease);
- *Estate of Lassiter v. Commissioner*, T.C. Memo. 2000324 (disclaim 50 percent marital deduction into full deduction on timber holdings);
- *Estate of Rogers v. Commissioner*, T.C. Memo. 2000133 (special use valuation for timberland).