

**EXAMPLE STATISTICS ON HOW TAXES ON WOODLAND COMPARE TO TAXES
ON OTHER OPEN LANDS**

Property tax laws have shifted a disproportionate amount of the tax burden to forest lands in Wisconsin. According to the Wisconsin Farm Bureau, the current average use value based tax of about \$3.50/acre on farmland covers more than the cost of the police, fire, and road services they require. This compares to the statewide average \$34/acre tax paid on productive forest lands. The following tables are intended to provide general information on how property taxes on woodland compare to other lands. Unlike land in agricultural, agricultural forest, and undeveloped classifications that receive preferential taxation, productive forest lands are taxed at full fair market value.

Under state law, acreage and valuation of all taxable land in each town must be placed into one of eight different classes and then be reported to the Wisconsin Department of Revenue (DOR). The following tables provide information on four of these classes, classes that are often referred to as “open” land. Total valuation of property in a town provides a perspective on how the value of “open lands” affects an overall tax base. The total valuation of the town includes values associated with other classes, e.g. residential, commercial, and manufacturing. Acres of forest land enrolled in MFL are shown in the tables for informational purposes. They are not included in DOR statistics since they are not subject to a direct property tax assessment. Note: These examples are approximate since they are based upon 2011 assessment data and 2010 effective tax rates and do not account for differences in assessment ratios.

Town of Dodgeville, Iowa Co.

Agricultural – 34,928 acres;	\$5,710,700	(\$3.23/acre)
Undeveloped - 1567 acres;	\$590,500	(\$7.45/acre)
Ag Forest - 3927 acres;	\$7,470,700	(\$37.59/acre)
Forest – 2176 acres;	\$8,172,400	(\$72.33/acre)
MFL - 5820 acres		
Mill Rate: 0.01976	(\$19.76/\$1000)	
TOTAL TOWN VALUATION	\$198,579,000	

Town of Two Creeks, Manitowoc Co.

Agricultural - 6,275 acres;	\$1,523,800	(\$1.82/acre)
Undeveloped - 561 acres;	\$476,600	(\$6.38/acre)
Ag Forest - 173 acres,	\$347,500	(\$15.09/acre)
Forest - 116 acres;	\$411,100	(\$26.62/acre)
MFL - 379 acres		
Mill Rate: 0.0751	(\$7.51/\$1000)	
TOTAL TOWN VALUATION	\$46,366,700	

Town of Decatur, Green Co.

Agricultural - 16,273 acres;	\$3,708,400	(\$3.95/acre)
Undeveloped - 1,384 acres;	\$221,600	(\$2.77/acre)
Ag Forest - 743 acres;	\$561,100	(\$13.09/acre)
Forest - 336 acres;	\$504,800	(\$26.05/acre)

MFL – 490 acres
Mill Rate: 0.01734 (\$17.34/\$1000)
TOTAL TOWN VALUATION \$130,956,440

Town of Bradley, Lincoln Co.

Agricultural – 1,229 acres; \$138,800 (\$1.95/acre)
Undeveloped – 5,508 acres; \$2,163,900 (\$5.88/acre)
Ag Forest - 19 acres, \$17,400 (\$13.71/acre)
Forest - 12,794 acres; \$23,288,100 (\$27.25/acre)
MFL - 5,785 acres
Mill Rate: 0.01497 (\$14.97/\$1000)
TOTAL TOWN VALUATION: \$448,135,400

Town of Watertown, Jefferson County

Agricultural – 15,494 acres; \$3,950,000 (\$3.75/acre)
Undeveloped – 3093 acres; \$2,070,000 (\$9.85/acre)
Ag Forest – 1266 acres; \$1,311,400 (\$15.25/acre)
Forest – 514 acres; \$987,400 (\$28.28/acre)
MFL – 290 acres
Mill Rate: 0.01472 (\$14.72/\$1000)
TOTAL VALUATION: \$ 203,724,700

Town of Spring Brook, Dunn Co.

Agricultural – 26,566 acres; \$4,231,600 (\$3.55/acre)
Undeveloped – 2,162 acres; \$992,600 (\$10.24/acre)
Ag Forest – 3,260 acres; \$4,281,500 (\$29.29/acre)
Forest – 1,333 acres; \$3,087,200 (\$46.82/acre)
MFL – 1583 acres
Mill Rate: 0.02023 (\$20.23/\$1000)
TOTAL VALUATION: \$110,818,900

Town of Grover, Taylor Co.

Agricultural – 1,333 acres; \$193,800 (\$2.78/acre)
Undeveloped – 307 acres; \$138,900 (\$8.66/acre)
Ag Forest – 1,222 acres; \$1,025,000 (\$16.05/acre)
Forest – 6,336 acres; \$10,269,000 (\$31.04/acre)
MFL – 1870 acres
Mill Rate: 0.01913 (\$19.13/\$1000)
TOTAL VALUATION: \$31,552,900

Town of Yorkville, Racine Co.

Agricultural – 14,032 acres; \$3,265,400 (\$4.13/acre)
Undeveloped – 1,186 acres; \$775,700 (\$11.60/acre)
Ag Forest – 0 acres
Forest – 436 acres; \$1,857,100 (\$75.52/acre)
MFL – 22 acres

Mill Rate: 0.01773 (\$17.73/\$1000)
TOTAL VALUATION: 473,768,750

Town of Fairchild, Eau Claire Co.

Agricultural – 4,747 acres; \$794,000 (\$3.07/acre)
Undeveloped – 1,525 acres; \$819,350 (\$9.86/acre)
Ag Forest – 1721 acres; \$1,636,500 (\$17.45/acre)
Forest – 3,438 acres; \$6,619,500 (\$35.33/acre)
MFL – 2,185 acres

Mill Rate: 0.01835 (\$18.35/\$1000)
TOTAL VALUATION: \$25,347,744

Town of Warren, Waushara Co.

Agricultural – 7,945 acres; \$1,216,908 (\$2.56/acre)
Undeveloped – 6,458 acres; \$4,033,283 (\$10.45/acre)
Ag Forest – 1,482 acres, \$1,905,494 (\$21.51/acre)
Forest - 2,319 acres; \$5,838,693 (\$42.12/acre)
MFL = 1,294 acres

Mill Rate: 0.01637 (\$16.73/\$1000)
TOTAL VALUATION: \$46,489,109

Town of Johnson, Marathon Co.

Agricultural – 13,955 acres; \$2,822,600 (\$3.69/acre)
Undeveloped – 2,968 acres; \$1,533,900 (\$9.44/acre)
Ag Forest – 3,072 acres; \$3,057,000 (\$18.17/acre)
Forest - 434 acres; \$795,900 (\$33.48/acre)
MFL = 1,023 acres

Mill Rate: 0.01826 (\$18.26/\$1000)
TOTAL VALUATION: \$51,399,900

Town of Bristol, Dane County

Agricultural – 16,401 acres; \$4,708,300 (\$4.71/acre)
Undeveloped – 1,542 acres; \$1,761,800 (\$18.72/acre)
Ag Forest - 369 acres, \$732,000 (\$32.51/acre)
Forest - 48 acres; \$222,600 (\$76.01/acre)
MFL - 0 acres

Mill Rate: 0.01639 (\$16.39/\$1000)
TOTAL VALUATION: \$391,255,300

Town of Garfield, Jackson Co

Agricultural – 7,342 acres; \$706,100 (\$1.89/acre)
Undeveloped – 1,564 acres; \$764,350 (\$9.61/acre)
Ag Forest – 4,746 acres, \$3,461,500 (\$14.35/acre)

Forest - 4,140; \$5,959,800 (\$28.32/acre)
MFL - 3,308 acres
Mill Rate: 0.01967 (\$19.67/\$1000)
TOTAL VALUATION: \$37,541,190

HowTo Obtain Data for Other Towns

Step 1: Go to Dept of Revenue's website

Step 2: Under Quick Links click on Reports

Step 3: To Obtain Mill Rate click on Property Tax

Step 4: Scroll down to Town, Village and City Taxes. Select most recent year, i.e. 2010

Step 5: Scroll down to Table VI and find an alphabetical list of counties with town data.

Step 6: The effective tax rate is shown in the last column. For example, the Town of Adams in Adams County has a mill rate of 0.01742. Note: This rate can also be expressed as \$17.42 per \$1000 of valuation.

Step 7: Go back the Reports page where you first clicked on Property Tax. This time click on Assessment

Step 8: Click on "Statement of Assessments" using either the most recent year or the year 2010 for comparison purposes with the mill rate being used

Step 9: Click on the county and then scroll down to the town of interest

Step 10: In this table you will find both the number of acres of land in each classification and the assessed value of the land. Note: The assessed value is different than fair market value for agricultural land which is assessed at "use value". Undeveloped and agricultural forest lands are also not valued at fair market value but rather are assessed at 50% of fair market value. Forest land however is valued and taxed based upon its full fair market value.

Step 11: Now divide the total value of the land in each category by the total acres to obtain the assessed value per acre.

Step 12: To calculate the average tax per acre now simply multiply the average assessed value of property obtained in Step 11 by the mill rate obtained earlier. For example, in the Town of Dodgeville, for agricultural land, divide \$5,710,700 by 34,928 acres to obtain the average assessed value of agricultural land of \$163.49/acre. To obtain taxes per acre multiply by the mill rate of 0.01976 to get a tax of \$1.82/acre.

Step 13: To get the acres of land in MFL that are used for comparison purposes, you need to go to the DNR's table of land enrolled in MFL for each town. This summary table can be found by contacting the DNR or by going to WWOA's web page and looking under Government Affairs.

Now is the Time to Make Sure Your Lands are Properly Classified

Property taxes for next year are based on how land was classified on January 1. It is important that your lands are properly classified to avoid over payment of taxes. Although "Productive Forest" land is taxed at full fair market value, land meeting the definition of "Undeveloped" or "Agricultural Forest" is taxed at 50% of fair market value.

Unfortunately assessors are not able to get out and field-inspect every parcel of land, often having to utilize air photos to make determinations of how land should be classified and taxed. Quite often lands that are poorly drained and support mainly marsh and lowland brush species can appear to be growing trees from an air photo. As a result they are miss-classified as “Productive Forest” when they more accurately meet the definition of “Undeveloped”. Your tax bill will not normally show how your land is classified so you will need to ask your assessor or local official to get this more detailed information.

If your woodland is in the managed forest law and subject to a separate tax calculation does it still matter? Yes. If the land is ever withdrawn from the MFL penalties will be based upon how the land was classified. If your woods meet the definition of agricultural forest or if your 20% unproductive land was classified as productive forest, you would end up with a significantly higher penalty than if it was properly classified.

Definition of “Undeveloped” Land.

Undeveloped land is defined by statute to include bog, marsh, lowland brush, uncultivated land zoned as shoreland under Section 59.692, Wis. Stats. and shown as a wetland on a final map under Section 23.32, Wis. Stats. or other non-productive lands not elsewhere classified. This class includes areas commonly called marshes, swamps, thickets, bogs, or wet meadows; areas with soils of the type identified on soil maps as mineral soils that are "somewhat poorly drained," "poorly drained," or "very poorly drained," or "water," and areas where aquatic or semi-aquatic vegetation is dominant. This class also includes fallow tillable land (assuming agricultural use is the land's highest and best use), road right of way, ponds, depleted gravel pits, and land that, because of soil or site conditions, is not producing or capable of producing commercial forest products. Undeveloped land is assessed at 50% of its full value. After determining the full value of qualifying undeveloped land in accordance with Section 70.32(1), Wis. Stats., state case law, and professionally accepted appraisal practices, the value is reduced by 50% under section 70.32(4), Wis. Stats.

Definition of “Agricultural Forest” Land.

Effective for the 2005 assessment year, 2003 Wisconsin Act 230 amended the statutory definition of “agricultural forest.” Section 70.32(2)(c)1d, Wis. Stats. now defines “agricultural forest” as land that is producing or is capable of producing commercial forest products, if the land satisfies any of the following conditions:

- a) The forest land is contiguous to a parcel that has been classified in whole as agricultural land. The forest land and the contiguous agricultural parcel must have the same owner. Contiguous includes separated only by a road.*
- b) The forest land is located on a parcel that contains agricultural land for the January 1, 2004 assessment, and on January 1 of the current assessment year.*
- c) The forest land is located on a parcel where at least 50 percent of the acreage was converted to agricultural land for the January 1, 2005, assessment year or thereafter.*

“Agricultural forest” land is assessed at 50% of its full value. After determining the full value of qualifying “agricultural forest” land in accordance with Section 70.32(1), Wis. Stats., state case law, and professionally accepted appraisal practices, the value is reduced by 50% under Section 70.32(4), Wis. Stats.

Definition of Productive Forest Land as found in Wisconsin Statutes

70.32 (2)(c) 2. “Productive forest land” means land that is producing or is capable of producing commercial forest products and is not otherwise classified under this subsection.

Additional Information

The agricultural data provided in the example tables is an average of grade 1, 2, and 3 cropland and pasture values. To find a more detailed breakdown of these calculated use values look under Agricultural Assessment on the Reports page.

To learn more about how land is classified and assessed, the Wisconsin Department of Revenue has several excellent publications. These publications can be found by going to the Department of Revenue's home page and looking for Publications under Quick Links. Property Tax publications are found under the Government heading. Publications which may be of particular interest include the Agricultural Assessment Guide and Guide for Property Owners. For those really wanting detail on how property is assessed, land values determined, and the process assessors must follow, the entire Wisconsin Property Assessment Manual is also available on this site.

Links

DOR's Home Page: <http://www.revenue.wi.gov/>

Reports: <http://www.revenue.wi.gov/report/index.html>

Property Tax Publications: <http://www.revenue.wi.gov/html/govpub.html#property>