



# Personal Property Tax

## Exemption for Logging Equipment

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### UNDERSTANDING THE DIFFERENCE BETWEEN LOGGING EQUIPMENT THAT CAN QUALIFY FOR AN EXEMPTION AND EQUIPMENT THAT DOES NOT.

- What is Business Personal Property?

Business Personal Property is defined as all tangible assets: equipment, machinery, office equipment, furniture, etc. that are being used in the operation of the business. This also includes equipment and assets that are in storage.

*Every business has some form of Business Personal Property. Some business may have some equipment that could qualify to be exempt from taxation based on it's use and the type of business it is that owns the equipment.*

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### LOGGING EQUIPMENT

Similarly to the farming industry, there are very specific qualifications and requirements for logging equipment to be exempt from Business Personal Property Tax. Tax exempt logging equipment has to fall under the definition of Environmentally Sensitive Logging Equipment.

So what is environmentally sensitive logging equipment (ESL)? ESL equipment is defined in ORS 307.827. The statute states:

- (1) Environmentally sensitive logging equipment is exempt from ad valorem property taxation.
- (2) As used in this section:
  - (a) "Environmentally sensitive logging equipment" means logging equipment that was originally manufactured after 1992.
  - (b) "Logging equipment" means machinery and equipment:
    - (A) Used in logging or forest management operations involving timber harvest, including the felling, bucking, yarding, loading or utilization of timber, logs or wood fiber in the forest, or used in reforestation, forest vegetation restoration, site preparation, vegetation control, stand and tree improvement or thinning;
    - (B) That is specifically designed for activities related to water quality or fish and wildlife habitat protection in the forest; or
    - (C) Consisting of excavators used in logging road construction, maintenance, reconstruction or improvements, including the closing or obliterating of existing forest roads.

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### SO WHAT DOES THIS MEAN?

***Safety equipment, chain saws, axes, fuel cans, tool boxes and tools, equipment with a manufacture date of 1992 or older, rigging, radios, ATVs, water tanks, fire extinguishers, etc. do not qualify as ESL equipment.***

*Support equipment and equipment used to maintain logging equipment such as shop equipment is not exempt as well. The ESL equipment also cannot be used more than 20% of the time for non-forest activity. It has to be used for a forest activity at minimum 80% of it's operating time. Typically non-forest activities would be activities happening off the mountain.*

If you have equipment that qualifies to be exempt as Environmentally Sensitive Logging Equipment an application form must be filled out and filed along with your Business Personal Property Return to maintain the exemption. This form must be filled out and filed each year. If it is not filed the exemption will be removed on any equipment that had been receiving it the prior year.

The Environmentally Sensitive Logging Equipment Application can be obtained online through the Oregon Department of Revenue Website or by contacting the Polk County Assessor's Office.

**REMEMBER—**This form must be filed each year and submitted with your Business Personal Property Return and must include ALL equipment that the exemption is being requested on. Including equipment that was filed in prior years

OREGON DEPARTMENT OF REVENUE		Environmentally Sensitive Logging Equipment Qualifications					
Business name				Account identification number			
Location address of personal property							
City			State		ZIP code		
Description of Property							
Item of property	Manufacturing & serial number	Year manufactured	Model number	Purchase year	Cost when purchased	Percent of time used for qualifying purposes	For assessor's use only
Declaration							
Invalid if not signed. I declare under the penalties of false swearing [ORS 305.990(4)] that I have examined this document and to the best of my knowledge, it is true, correct, and complete. The items listed above are not used for more than 20 percent of the year for non-logging activities.							
Signature X				Name / title (print)		Date	
150-010-020 (Rev. 11-10)							

**QUESTIONS?** If you have any questions regarding farm equipment or logging equipment that you believe qualifies to be exempt from the Business Personal Property Tax please contact the Polk County Assessor's Office.

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