



Personal Property Tax

Exemption for Logging Equipment

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.

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.

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.

SO WHAT DOES THIS MEAN?

Machinery used for Felling, Bucking, Yarding, Loading or utilization of timber, logs or wood fiber in the forest used in reforestation, forest vegetation reforestation, sit prep, stand and tree improvement or thinning, can be exempt if it meets the qualifications.

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. Equipment used in a non-forest activity for more than 20% or more of it's operating hours throughout the year does not qualify. 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 you do not need to report that specific equipment on the Business Personal Property Return.

QUESTIONS?

If you have any questions regarding 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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