

From: Brickner, Phillip J - DOR
Sent: Tuesday, January 14, 2014 1:25 PM
To: 'Andy'
Subject: RE: Tapping Maple Trees

Good to hear from you, Andy.

Here is some information from the DOR website to help you in determining how many acres to convert to use-value assessment.

Take care,

Phil

Is maple syrup gathering considered an agricultural activity, and if so, how is such land to be assessed?

By Administrative Rule, the NAICS identifies the activities that qualify as an agricultural use. Maple sap gathering is a qualifying agricultural use since the NAICS includes maple sap gathering as a crop production activity. Land devoted primarily to maple sap gathering in an area of maple trees that are tapped during the production season prior to the assessment date of January 1 and not in a use incompatible with agricultural use on January 1 is classified as agricultural and assessed at its use-value.

The operation would need to be considered primarily a for-profit activity with a sale of the product in order to qualify for an agricultural classification. Operations that produce primarily for personal use, neighbors, or family members with minimal sales would not be considered a farming pursuit. However, the use value law does not have a minimum acreage size. Small acreages can qualify for use value if they are primarily used for agricultural purposes. Producers could provide a license, sales receipts, photos of lands being tapped, etc. to describe their operation. A Schedule F could help determine the extent of the product sales although it is not in itself the determining factor.

If the producer qualifies as a for-profit activity then establishing the number of acres for use value becomes the next issue. Qualifying acres would need to be tapped in the previous production season and be considered primarily engaged in maple sap gathering. Producers that are in the business will generally follow the industry standards for tapping trees. Producers following industry standards will decide to tap maple trees within a mixed species woods when the density of maple trees is sufficient to make the endeavor economically feasible. It has been estimated that in a mixed species stand of woods that a low to average quality tract has 20 tapped trees per acre whereas 30-40 tapped trees per acre was considered a high quality stand in Wisconsin. Acres within a forest that are sufficiently being tapped based upon the industry standards would qualify for use value whereas areas within a forest which have no tapping or minimal tapping would not qualify.

This effectively disqualifies an activity that is sporadically and minimally tapping large areas and claiming the entire acreage qualifies for agricultural purposes.