



## INSTRUCTIONS FOR PREPARING TIMBER TAX RETURN

**Payments:** To make your payment online, go to our website at [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov), and select *File & Make a Payment*. You can also pay by credit card on our website or by calling 1-855-292-8931. If paying by check or money order, be sure to include your account number. Make check or money order payable to: California Department of Tax and Fee Administration.

### GENERAL

The Timber Yield Tax (TYT) is a property tax paid by timber owners when they harvest trees or timber. The California Department of Tax and Fee Administration (CDTFA) administers and collects the TYT. After state administrative costs, the TYT is allocated to the counties where the timber was harvested. CDTFA also determines the harvest values of timber and timberland production zone values.

Prior to 1976, timber and timberlands were subject to an annual ad valorem property tax administered by each individual county assessor. The TYT Law, passed in 1976, replaced the ad valorem tax on standing timber with a yield tax on the value of harvested timber. While the timber yield tax is state tax deferred until the time of harvest, the taxation of the timberland is still part of the local annual property tax that is administered by each county assessor.

### FILING REQUIREMENTS

For most accounts, TYT returns must be filed for each calendar quarter. However, if Christmas trees are the only forest product you harvest and you harvest them in the fourth quarter of each year, you will file a return only for the fourth quarter of each year. The filing date is the last day of the month following the end of the quarter.

You must file your TYT return as long as you remain registered with CDTFA, even if you do not harvest any timber during a reporting period or if all your harvests for the reporting period qualify for the low-value exemption.

### PREPARATION OF RETURN

**Column A. Harvest plan/contract number.** Enter the harvest plan/contract number(s) on [CDTFA-401-APT](#), *Harvest Report*. All harvest plan/contract number(s), except those that are exempt, are summarized on CDTFA-401-1PT, *Timber Tax Return*.

**Column B. County name.** Enter the name of the county indicated on line 4 of CDTFA-401-APT.

**Column C. Number.** Enter the county code number indicated on line 5 of CDTFA-401-APT.

**Column D. Total taxable harvest value from harvest report(s).** Enter the total taxable harvest value(s) indicated on line 14 of CDTFA-401-APT. Complete a separate line for each county. If more lines are needed, please use [CDTFA-401-SPT](#), *Timber Tax Return (Supplement)*.

**Line 1. Total from CDTFA-401-SPT.** If CDTFA-401-SPT is used, enter the total harvest value from column D. Otherwise, leave it blank.

**Line 2. Total of harvest values.** Add the total of the harvest values in column D.

**Line 3. Timber tax.** Multiply the total of the harvest values on line 2 by the timber tax rate shown, and enter the amount to the nearest cent.

**Line 4. Penalty.** The following penalty charges may be assessed for filing a late return and/or late payment:

- Late-file penalty—If the tax return is not filed by the due date, a one hundred dollar (\$100) penalty applies and should be entered on line 4.
- Late-pay penalty—If the tax return is not paid by the due date, a ten percent (10%) penalty applies on the remaining amount of the tax due from line 3. To find ten percent of the tax due, multiple line 3 by 0.10 and enter on line 4.
- Late-file and late-pay penalty—If both the return and payment are received late, ten percent (10%) applies on the remaining amount of the tax due from line 3, or one hundred dollars (\$100), whichever is greater. To find ten percent of the tax due, multiple line 3 by 0.10. If that amount is greater than one hundred dollars (\$100), enter it on line 4. Otherwise, enter \$100.00 on line 4.

## INSTRUCTIONS FOR PREPARING TIMBER TAX RETURN—CONTINUED

- Line 5. Interest.** If your payment is late, you must pay interest charges in addition to penalty charges. The interest rate applies to each month or fraction of a month that your payment is late. Multiply the tax due on line 3 by the interest rate, then multiply the result by the number of months, including any fraction of a month, that has elapsed since the due date. You may use the [Interest Rate Calculator](#) on our website at [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov) for help calculating interest due.
- Line 6. Total amount due and payable.** Enter the total amount due and payable by adding lines 3, 4, and 5.
- Line 7. Check box if this is your final tax return, no further harvesting. Close account.** If all timber harvesting activity has been completed and you do not intend to engage in further harvesting, please check the box. This will close your account, and tax returns will no longer be mailed.
- Line 8. Check box if you did not harvest for this quarter.** If you did not harvest timber during this reporting quarter, check the box.
- Line 9. Check box if you have harvested timber and all of your harvest operations are \$3,000 or less in value.** If you have harvested timber and the amount in box 14 on **all** copies of CDTFA-401-APT is \$3,000 or less, check the box on line 9.

For more information, you may also visit our website at [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov) or call the Customer Service Center at 1-800-400-7115 (CRS:711); from the main menu, select the option *Special Taxes and Fees*. Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.