

# Primary Forest Products Tax Return

North Carolina Department of Revenue

<b>Application for Period</b>	Beginning (MM-DD-YY) _____		Ending (MM-DD-YY) _____
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DOR Use Only  ____ / ____ / ____
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**Legal Name** (First 35 Characters) (USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS)

\_\_\_\_\_

**Trade Name**

\_\_\_\_\_

**Mailing Address**

\_\_\_\_\_

**City** \_\_\_\_\_ **State** \_\_\_\_\_ **Zip Code** \_\_\_\_\_

**Name of Contact Person** \_\_\_\_\_ **State of Domicile** \_\_\_\_\_

**Phone Number** \_\_\_\_\_ **Fax Number** \_\_\_\_\_

\_\_\_\_\_

<b>FEIN/SSN</b>
_____
<b>Fill in applicable circles:</b>
<input type="radio"/> Sole Proprietorship <input type="radio"/> Corporation <input type="radio"/> Partnership <input type="radio"/> LLC
<input type="radio"/> Amended Return

## Computation of Amount Due for Quarter

		Quantity <i>(Per board foot or cord)</i>		Rate		Tax
1. Softwood sawtimber, veneer logs and bolts, pine poles and piles, and all other softwood products normally measured in board feet <i>(Compute per international 1/4" log rule)</i>	▶ 1.	_____	x	50¢ per thousand board feet (0.0005)	=	_____ .00
2. Hardwood and bald cypress sawtimber, veneer, and all other hardwood and bald cypress products normally measured in board feet <i>(Compute per international 1/4" log rule)</i>	▶ 2.	_____	x	40¢ per thousand board feet (0.0004)	=	_____ .00
3. Softwood pulpwood, posts, and other softwood products normally measured in cords <i>(Compute per standard cord of 128 cubic feet)</i>	▶ 3.	_____	x	20¢ per cord (0.20)	=	_____ .00
4. Hardwood pulpwood, posts, and other hardwood and bald cypress products normally measured in cords <i>(Compute per standard cord of 128 cubic feet)</i>	▶ 4.	_____	x	12¢ per cord (0.12)	=	_____ .00
5. Tax Due Add Lines 1 through 4	▶ 5.					_____ .00
6. Previous Overpayment (Attach Schedule)	▶ 6.					_____ .00
7. Balance of Tax Due Line 5 minus Line 6	▶ 7.					_____ .00
8. Interest (See the Department's website, <a href="http://www.dornrc.com">www.dornrc.com</a> , for current interest rate.) Multiply Line 7 by applicable rate if return with full payment is not filed timely.	▶ 8.					_____ .00
9. Penalty (10% for late payment; 5% per month, maximum 25%, for late filing) Multiply Line 7 by rate above if return with full payment is not filed timely.	▶ 9.					_____ .00
10. Total Due Add Lines 7 through 9				10. \$		_____ .00

Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

I certify that, to the best of my knowledge, this return is accurate and complete.

**Quarterly returns are due by the last day of the month following the end of each calendar quarter. Your check or money order must be in the form of U.S. currency from a domestic bank and made payable to N.C. Department of Revenue.**

North Carolina Department of Revenue, P.O. Box 25000, Raleigh, North Carolina 27640-0110

**Important Information Concerning the Primary Forest Products Tax**

1. **What are "Primary Forest Products?"** "Primary forest products" include those products of the tree after it is severed from the stump and cut to its first roundwood product for further conversion. These products include whole trees for chipping, whole tree logs, sawlogs, pulpwood, veneer bolts, posts, poles, and pilings.
2. **Who pays the Primary Forest Products Tax?** All "processors" of primary forest products harvested within the boundaries of North Carolina are required to pay the Primary Forest Products Tax. A processor is an individual, a corporation, a partnership, or another entity that procures primary forest products at their initial point of concentration for conversion to secondary products or for shipment to others for the conversion. The tax applies to the entity that owns the primary forest product at the time it is processed into a secondary product such as rough lumber, crossties, timbers, chips, veneer, furniture squares, posts, poles, pilings, or any other products made directly from primary products.
3. **Exemptions.** The following are not considered "primary forest products" and are exempt from taxation:
  - Christmas trees and associated greens
  - Material harvested from an individual's own land and used on that land for the construction of fences
  - Buildings or other personal use developments
  - Fuel wood harvested for personal use in individual homes.
4. **Categories.** This form lists the four general categories of primary forest products:
  - Softwood sawtimber, veneer logs and bolts, pine poles and piles, and all other softwood products normally measured in board feet
  - Hardwood and bald cypress sawtimber, veneer, and all other hardwood and bald cypress products normally measured in board feet
  - Softwood pulpwood, posts, and other softwood products normally measured in cords
  - Hardwood pulpwood, posts, and other hardwood and bald cypress products normally measured in cords

The processor must ascertain, from its records, the quantity of the product for each category. The primary forest products purchased for processing are taxable in the quarter in which they are delivered to the mill.

Assessments on primary forest products are made either according to the international 1/4 inch log rule, the standard 128 cubic foot cord, or their equivalent. The correct measurement for each category is listed under the "quantity column" for each of the four general categories of primary forest products.
6. **Conversion Rates.** Because of the many variables concerning primary forest products, such as tree species, place of origin of tree, difference in size of wood pieces, and differences in individual measuring systems, a system of averages must be used in converting one measuring system to another. These averages will apply generally rather than to any specific timber tract or to any particular mill at a given time. The following conversion chart applies. These conversions are considered to be equivalent to the international 1/4 inch log rule or the standard 128 cubic foot cord.

**Conversion Chart****Softwoods (except Bald Cypress)**

- I. **Softwood products customarily measured in board feet**
  - A. Measurement by Log Scaling
    1. International 1/4 inch Log Rule =  $1 \times 1$
    2. Doyle Log Rule = Doyle Scale  $\times 1.45$  = International
    3. Scribner Log Rule = Scribner Scale  $\times 1.45$  = International
    4. 2/3 Rule (for 8 ft. cedar) = 2/3 Scale  $\times .90$  = International
  - B. Weight Scaling  
12,000 lbs. = One thousand board feet international
  - C. Other - Log products that are not scaled or weighed  
For sawmills the lumber tally of production from logs is considered equal to International
- II. **Softwood products customarily measured in cords**
  - A. Measurement by rough-stack of wood and bark  
This measurement is converted to the Standard 128 foot cord
  - B. Measure of solid wood content  
80 cubic feet of solid wood is equivalent to one 128 cubic foot stacked (including air, bark and wood) cord
  - C. Measurement by weight  
5,300 pounds equals one standard cord
- III. **Softwood products customarily classed by other measure (such as poles, piles, and posts)**
  - A. Pine poles and piles designated for pressure treating with preservative, 220 cubic feet is equal to one thousand board feet international
  - B. Softwood posts to be treated with preservative, not including veneer cords; 75 cubic feet of solid wood is equal to one rough-stacked 128 cubic foot standard cord
  - C. Softwood posts that are not to be treated with preservative, 100 posts is equal to one rough-stacked 128 cubic foot cord

**Hardwoods and Bald Cypress**

- I. **Hardwood and bald cypress products customarily measured in board feet**
  - A. Measurement by Log Scaling
    1. International 1/3 inch Log Rule =  $1 \times 1$
    2. Doyle Log Rule = Doyle Scale  $\times 1.25$  = International
    3. Scribner Log Rule = Scribner Scale  $\times 1.09$  = International

- B. Weight Scaling  
14,000 lbs. = one thousand board feet international
- C. Other log products that are not scaled or weighed  
For sawmills the lumber tally of production from logs is considered equal to International.

**II. Hardwood and bald cypress products customarily measured in cords**

- A. Measurement of solid wood content  
80 cubic feet of solid wood is equivalent to one 128 cubic foot standard cord
- B. Measurement by weight  
5,800 pounds equals one 128 cubic foot standard cord
- C. Hardwood products customarily classed by other measures such as fence posts  
For split or round hardwood fence posts, 100 posts equal one stacked 128 foot cord

**Special Chip Products (hardwood and softwood)****I. Whole tree stems delivered to mills for conversion to lumber and veneer with the ends being used for cord equivalent products**

- A. Pine ends of whole stems chipped either at buying yard or sawmill  
Use the best estimate of mill management as to the proportion that the pine ends being used for cord equivalent products comprise of the total weight.  
This proportion of total weight is to be converted by the 5,300 pound cord-factor
- B. Hardwood ends of whole stems chipped either at buying yard or sawmill  
Same procedure as in A, above, except that the total weight is to be computed by the 5,800 pound cord-factor

**II. Total free chipping in the woods**

This type of operation utilizes the same material mentioned above, plus the logging residues, both standing and down, of the wholstem operation. In order not to penalize these operators for using residues (residues are not assessed for any other products), the cord equivalent is:

- A. Pine total-tree chips (including bark, twigs, and leaves)  
6,500 pounds equal one standard cord
- B. Hardwood total-tree chips (including bark, twigs, and leaves), 10,000 pounds equal one standard cord