

State of California  
BOARD OF EQUALIZATION  
PROPERTY TAX RULES

Division 1. State Board of Equalization-Property Tax  
Chapter 11. Timber Yield Tax Article 1. General Provisions  
Article 1. Valuation of Timberland and Timber

**Rule 1026. Timber Owner.**

*Authority:* Section 15606, Government Code; and Section 38701, Revenue and Taxation Code.

*Reference:* Sections 38104, 38106 and 38115, Revenue and Taxation Code; *Hoopa Valley Tribe v. Nevins, et al.* (1989) 881 F.2d 657.

Exempt person or agency. The timber yield tax is imposed not only on every timber owner who harvests his or her timber or causes it to be harvested but also on every timber owner of felled or downed timber who acquires title to such felled or downed timber in the state from a person or agency exempt from property taxation under the Constitution or laws of the United States or under the Constitution or laws of the State of California. In some instances, such timber owners may acquire title to felled or downed timber directly from the exempt person or agency. In other instances, however, such timber owners may acquire title to felled or downed timber from an exempt person or agency which itself has previously acquired title to the timber from another exempt person or agency.

Where timber owners of felled or downed timber have acquired title to the timber in the state from an exempt person or agency, "first person who acquires either the legal title or beneficial title to timber after it has been felled" means the first non-exempt person who acquires such title from an exempt person or agency, and such a person is a timber owner liable for applicable timber yield tax (e.g., where the person initially felling timber is exempt from property taxation and the person acquiring the felled timber is also exempt from property taxation, the first non-exempt person who thereafter acquires title to the felled timber is liable for applicable timber yield tax).

As used in Sections 38104 and 38115 of the Revenue and Taxation Code, "timber owner" does not include, however, any person who harvests timber, causes it to be harvested, or acquires title to felled or downed timber derived from Indian lands held in trust by the United States for an Indian Tribe or Band or for any Individual Indian member thereof; and no timber yield tax shall be imposed with respect to that timber upon any person who thereafter acquires title to the timber.

*History:* Adopted August 19, 1980, effective December 31, 1980.  
Amended August 5, 1983, Section 38301 repealed effective January 1, 1983.  
Amended April 22, 1992, effective September 12, 1992.