



FTA Awards Nomination/Entry Form

Person who led this effort or project

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About your program, idea, or project

Name your program, idea, or project: New Hampshire Timber Tax Educational Campaign: Raising Awareness and Compliance for New Hampshire's Timber Tax

What is the problem that you wanted to solve?

In 1949, New Hampshire legislators enacted a Timber Tax "for the purpose of encouraging conservation of the forest resources of the state." Each municipality is responsible for assessing the Timber Tax on owners of property from which the lumber is harvested, based on the value of the wood at the time of cutting. Since its inception, the Timber Tax has generated significant revenue for municipalities statewide.

New Hampshire's Department of Revenue Administration (NHDRA) collaborates with municipalities, landowners, loggers, foresters, and the New Hampshire Department of Natural and Cultural Resources to oversee the tax application, administration, and enforcement. Unlike other taxes, New Hampshire state government does not collect money from the Timber Tax. Instead, the collected funds remain with the municipality where the timber was harvested.

But a court case in the fall of 2024 highlighted the need for greater education and awareness of Timber Tax regulations and requirements. In that case, the New Hampshire Department of Justice prosecuted a logger for tax evasion and perjury after underreporting timber harvested to evade the Timber Tax. The logger was sentenced to prison and ordered to pay more than \$45,000 in restitution. A renewed focus on education and awareness among the state's logging industry were needed to ensure responsible growth and harvesting of the state's timber and, ultimately, the future success of New Hampshire's \$1.6 billion forest products industry.

Who was involved in addressing the problem?

- Municipal and Property Division, New Hampshire Department of Revenue Administration
- Montagne Powers

How did they go about finding a solution?

Timing was key to the success of this campaign. While timber harvesting is a year-round business, winter is prime logging season. Getting the information in front of landowners, foresters, loggers, and municipalities was critical to the initiative's success. Although logging occurs year-round, winter is traditionally when loggers are most active, and in December 2024, NHDRA issued a news release announcing the "amplification" of its education efforts, as loggers were heading into the woods. Clear, easy-to-find resources were another key, and NHDRA created several resources for landowners, municipalities, and loggers on its newly redesigned website. A "Timber Tax Guide" was created, providing an overview of the tax and its requirements. The Timber Tax webpage also features details on how the Timber Tax is assessed, necessary forms, a series of Frequently Asked Questions, guidance for municipalities in administering the Timber Tax, and links to partner organizations, including the New Hampshire Timber Owners Association and the New Hampshire Department of Natural and Cultural Resources. The state's timber tax assessor's telephone number and email address are also prominently

displayed. It is important to note the revised website is mobile-friendly and easily accessible to timber industry personnel in the field.

As with any state tax, noncompliance is a serious matter. A final key component to the initiative was emphasis on the October prosecution and conviction of the logger who conspired to commit tax evasion and perjury on a tax report. The Attorney General’s news release announcing the sentence is included on the website and as part of the Timber Tax Guide, reminding the public the state can and will actively protect this valuable natural resource.

Describe the outcome. What is the new idea, approach, program, or activity?

The idea of proactive strategic communications is not a new idea for NHDRA. The Department has taken a similar approach, successfully, with NHDRA communications initiatives highlighting a new collection system for the state’s Rooms and Meals Tax, a homeowner’s tax relief program, and the repeal of the state’s Interest and Dividends Tax—not to mention proactive communications centered on NHDRA’s new website and an enhanced online tax filing system

Externally, NHDRA’s Timber Tax campaign received media coverage in multiple New Hampshire media outlets, including New Hampshire Business Review, Hippo Press (a weekly news publication), and Tax Notes, all of which spread the important message about compliance with the New Hampshire Timber Tax.

What has changed since this was implemented? How have your operations improved? Include any data, analytics or metrics that would show the value of your program. Don't forget management advantages such as improved morale.

While NHDRA has not tallied the volume of calls and emails it has received since launching the Timber Tax awareness initiative, the Department has certainly experienced a significant increase in inquiries from landowners, loggers and foresters regarding the reporting process and procedures. Since launching the Timber Tax awareness initiative, the Timber Tax Guide has been viewed nearly 1,400 times.

Is there any component of your program that makes it workable only in your state or city?

Another agency with a similar tax type or this kind of problem could adapt or adopt this idea.

Is this an in-house project, or did you partner with an outside vendor or service-provider?

We built on an existing relationship with a third-party vendor. (This would include development of a new idea or approach that works within a proprietary system that you use for many purposes.)

Additional information or comments about your usage of outside vendors or service providers.

As with most of its external communications efforts, NHDRA partnered with Montagne Powers, a strategic communications firm based in Manchester, NH. Montagne Powers has supported NHDRA in several FTA award-winning communications efforts that are innovative in our industry and have improved public awareness and compliance outcomes.

In addition to circulating external communications to bring awareness, Montagne Powers also assists the agency by fielding inquiries and directing journalists and constituents to supporting information.

What comes next — will you be adding to your program, rolling it out more widely, trying additional approaches?

NHDRA believes, and its successes with other public awareness and education programs show, that simple, direct, information-based awareness campaigns like this contribute to greater public acceptance of, and compliance with, complex laws and regulations around state revenue administration.

NHDRA will continue to seek ways to raise awareness for the Timber Tax with landowners, loggers, foresters and municipalities. While the initial focus of this educational effort was on raising awareness prior to and during prime logging season, April and May are also important times to remind landowners, loggers and foresters of their responsibilities under the law, as well as for penalties for noncompliance. With that in mind, NHDRA may consider “relaunching” the Timber Tax educational initiative next spring to continue maximizing exposure before its core audiences.

Additional Optional Materials

Website/Documentation URL (Must be publicly accessible) <https://www.revenue.nh.gov/taxes-glance/timber-tax>

Documentation Upload

 timber-tax-guide.pdf