

FOREST STEWARDSHIP BRIEFINGS

Timber ♦ Wildlife ♦ Water Quality ♦ Soil Conservation ♦ Best Management Practices ♦ Recreation ♦ Aesthetics

TIMBER LOSS FROM RITA

After Hurricane Rita made landfall on Sept. 24, she made her way north through East Texas, cutting a wide swath - 771,000 acres - through the heart of Texas' timber country. The estimated dollar amount of timber impacted in the hurricane is set at \$833 million, according to Texas Forest Service (TFS) officials.

"The total damaged and affected trees by Hurricane Rita are estimated at 967 million cubic feet, or about 6% of the total East Texas timber growing stock," said Jim Hull, State Forester and TFS Director.

"Damaged trees" are those that are likely to die within 12 months. "Affected trees," while not likely to die in 12 months, are those whose growth will probably be impaired.

In 2004, 645 million cubic feet of timber was harvested in East Texas. The total damaged timber from Rita was slightly less than that at 533 million, but the total damaged plus affected was more.

(SRS). Then, Forest Inventory and Analysis (FIA) field crews from the TFS and SRS collected ground-truthing data on 222 points in the impacted area.

"The worst damage the crews found was in southern Newton and Jasper counties," said Burl Carraway, Assistant Department Head of the TFS Sustainability and Economic Development Department.

"Now that we know the extent of timber damage, we are looking at both short- and long-term ways to address the problem," said Carraway.

One of the ways landowners can begin to recover is to implement a reforestation plan for their land. The TFS hopes to use some of the information collected in the ground-truthing - such as age and density of the trees that were impacted - to recommend types of trees best suited to withstand hurricane and tropical force winds.

In addition, Carraway says that his office will be studying the economic impact of the timber loss of the area in relation to additional mills that might be looking to locate there.

Beyond timber damage, the hurricane also affected Streamside Management Zones (SMZs), which are recommended protection zones around a stream, lake or other water body. Carraway said that many of these zones were hard hit by the storm and will need to be restored and rehabilitated in the future to ensure water quality in the area.

"The worst damage crews found was in southern Newton and Jasper counties."

The Texas Forest Service launched two days of aerial surveys that refined the damage boundaries projected by a preliminary map prepared by the USDA Forest Service, Southern Research Station

by Pat Schaub, Communications Specialist, Texas Forest Service, College Station, TX

For more information:

- <http://texasforestservicetamu.edu/pdf/forest/ritaassessment.pdf>
- <http://txforestservicetamu.edu/shared/article.asp?documentid=1158>
- <http://texasforestservicetamu.edu/pdf/admin/admin/RitaRecoveryTaskForceUpdate27Oct.pdf>

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RITA & INCOME TAX DEDUCTIONS

by Linda Wang, Economist
and Tax Analyst, Texas Forest
Service, College Station, TX

For more information:

- <http://texasforestservicetamu.edu/images/forest/economics/HurricaneRitaTimberLoss2pager.pdf>
- <http://txforestservicetamu.edu/shared/article.asp?documentid=1149>
- <http://texasforestservicetamu.edu/shared/article.asp?documentid=1161>
- www.timbertax.org

Timber destroyed by Hurricane Rita in East Texas may allow timberland owners to claim a deduction on their federal income tax return.

Deductible casualty loss for timber held for business or investment purposes is the smaller of *the adjusted basis of timber for the timber block* and *the difference of the fair market value immediately before and after the loss, reduced by salvage sale income*.

The key for most cases is to figure out “the adjusted basis.” Generally, the cost of a property is called “basis” in tax terms. Adjusted basis is the original basis reduced or added by adjustments (such as a new purchase or sale of part of the timber).

The original basis for:

- a purchased timber asset is the purchase price and related costs (such as legal fees and timber cruises).
- a gifted timber asset is the donor’s adjusted basis in most instances.
- an inherited timber asset is the fair market value (or special use value if so elected) on the date of death or on the alternative valuation date.

If you didn’t determine a basis of your timber at the time of acquisition, it is necessary to use the current volume before the storm, growth rate over the years, and

timber price at the time of acquisition to get the best possible estimate.

Here’s what you need from your forester: fair market value of the timber immediately before and after the storm. This usually requires timber volume in thousand board feet, cords or tons, and timber prices to establish the fair market value. Also, if you don’t know your basis, you will need additional information such as timber price and volume estimate at the time of acquisition or inheritance to set up the original basis for the timber.

All casualty losses are claimed first on Form 4684. Follow the instructions for this form and it will direct you to the proper reporting forms. Generally, if you hold timber for investment, after using Form 4684 for casualty loss calculations, the amount of loss is then entered into Schedule A of Form 1040. If your holding is business property, your casualty loss is then entered on Form 4797.

Landscape trees damaged by Hurricane Rita may qualify for a tax deduction under “casualty loss deduction” as well. This deduction is available for damaged trees and shrubs on personal use (residence), business or investment property. To read about this topic, see “For more information” side bar, 2nd and 3rd bullets.

STORM DAMAGE TO HARDWOOD TREES

Fortunately, many hardwood trees will survive storm breakage. Hardwood trees that are standing and have even a small portion of the crown remaining will probably recover in time. However, the process may take several years.

Large hardwood trees that are uprooted should be removed. It is important to remember that hardwood trees with large damaged areas on the trunk or large broken limbs may be infected with decay fungi. After several years, these decay

fungi typically weaken a tree structurally and make the tree more susceptible to future storm breakage. Decay fungi probably won’t kill a hardwood tree. Damaged hardwood trees in residential areas that are not removed should be properly pruned to eliminate broken branches and branch stubs and promote rapid healing.

A guide for evaluating damaged hardwood trees can be found at <http://texasforestservicetamu.edu/shared/article.asp?DocumentID=448&mc=urban>.

by Joe Pase, Entomologist,
Texas Forest Service, Lufkin,
TX

For more information:

- <http://texasforestservicetamu.edu/pdf/admin/admin/RitaStormDamageGeneralNOFHMS.pdf>

POST-HURRICANE FOREST HEALTH

In addition to the direct damage to pine trees caused by storms, insects and fungi often cause additional losses.

Insect Problems

Recently-cut trees and logs, trees damaged by storm or other causes, and dying trees are very susceptible to insect attack. The most damaging insects that initially attack downed pine trees and logs are ambrosia beetles and wood borers.

Forest landowners often expect a build-up of pine bark beetle populations, in particular the dreaded southern pine beetle, after timber is damaged by storms. In East Texas and across the South, storm damage to timber has NOT caused southern pine beetle outbreaks.

Fungus Among Us

Dead timber left in the woods or on log decks for longer than two or three months is likely to be colonized by various decay fungi. These fungi can rapidly degrade the wood and render it unusable.

Forest landowners with storm-damaged timber should consider salvage logging as

a way to utilize the timber rather than letting it go to waste. Timber salvage operations are more time consuming than regular logging, therefore the prices paid for the damaged timber will be lower than standing, green timber prices. Salvage should be conducted as soon after the damage as possible before various wood boring insects and decay and stain fungi further degrade the timber. Also, dead timber often dries out rapidly and has less dollar value if weight scaled. Large volumes of harvested pine logs that will not be immediately processed at a mill can be kept under a water sprinkler system or in a log pond to prevent invasion of insects and fungi.

Hidden Damage

Following a storm, some pine trees may not exhibit any signs of damage other than leaning. These trees are commonly referred to as root sprung. Unless they are attacked by pine bark beetles, they may not die immediately, but they usually decline over a period of several years and eventually are attacked by bark beetles. Root sprung trees should be removed if a salvage operation is conducted.

*by Joe Pase, Entomologist,
Texas Forest Service, Lufkin,
TX*

For more information:

- <http://texasforestservicetamu.edu/pdf/admin/admin/RitaStormDamageGeneralNOFHMS.pdf>
- http://www.alaforestry.org/ivan/Publications/water_storage.pdf

MONEY REALLY DOES GROW ON TREES!

\$205 billion. That's billion with a "b." That is what it would cost to replace all the trees within the eight-county region around Houston, according to a Texas Forest Service (TFS) report.

Beyond the sheer landscape value of trees, the report - Houston's Regional Forest: Structure-Functions-Values - also documents the contributions trees make in air pollution removal, carbon sequestration and residential energy savings. Combined, these three functions of trees provide \$456 million in annual benefits to the region's citizens.

The report also documents the loss of the

region's forests to changes in land use. "Our study shows that land classified as forest declined by 17% between 1992 and 2000," said Mickey Merritt, Houston regional urban forester for TFS.

"As people build new homes and businesses in suburban and rural areas, we're turning our traditional forests into 'urban' forests," according to Merritt. "So, if we want the benefits of trees for our kids and grandkids, we need to set up new tree programs and policies today."

This report is the first-of-its-kind look at the functions and values of trees across the Houston metropolitan area.

*by Pete Smith, Partnership
Coordinator, Texas Forest
Service, College Station, TX*

For more information:

- <http://texasforestservicetamu.edu/shared/article.asp?documentid=1166>
- www.HoustonRegional-Forest.org

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Editorial Board

- Dick Pike, TPWD, Lufkin, Texas
- Joe Pase, TFS, Lufkin, Texas

ARBORICULTURE 101

Title: Arboriculture 101 - A 4-Day Tree Care Course

Dates: Friday, Saturday, January 6 & 7; January 20 & 21, 2006

Time: 8:00 a.m. - 5:00 p.m.

Location: Montgomery College, Conroe/The Woodlands

Description: This course is designed to provide practitioners with an in-depth knowledge of how to care for urban trees.

Who will benefit from this course:

- Architects, engineers and developers who design and build structures around trees.
- Landscape architects and managers.
- Those interested in taking the ISA Certified Arborist Exam.
- Certified landscape professionals, certified arborists, certified foresters, licensed pesticide applicators, other individuals seeking continuing education credits.
- Seasoned professionals seeking to learn the latest recommendations for caring for trees.
- Anyone with an interest in urban trees.

Contact John Warner, Texas Forest Service at (936) 273-2261.

For topics covered, see: <http://treevents.tamu.edu/cgi-bin/webevent.cgi?cmd=open&cal=call>.



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