

112TH CONGRESS
2^D SESSION

H. R. 6439

To amend the Internal Revenue Code of 1986 to provide an exception to the imposition of the additional estate tax for severance of standing timber harvested consistent with a forest management plan.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2012

Mrs. BLACK (for herself, Mr. MICHAUD, Mr. RIBBLE, Mr. BONNER, Mr. HERGER, Mr. THOMPSON of Pennsylvania, Mrs. BLACKBURN, Mr. DUNCAN of Tennessee, and Mr. KISSELL) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide an exception to the imposition of the additional estate tax for severance of standing timber harvested consistent with a forest management plan.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Keep the Forest in
5 the Family Estate Tax Act of 2012”.

1 **SEC. 2. WOODLANDS SUBJECT TO MANAGEMENT PLAN.**

2 (a) IN GENERAL.—Paragraph (2) of section
3 2032A(c) of the Internal Revenue Code of 1986 is amend-
4 ed by adding at the end the following new subparagraph:

5 “(F) EXCEPTION FOR WOODLANDS SUB-
6 JECT TO MANAGEMENT PLAN.—Subparagraph
7 (E) shall not apply to any disposition or sever-
8 ance of standing timber on a qualified woodland
9 if the harvest is—

10 “(i) consistent with a written forest
11 management plan developed under the Co-
12 operative Forestry Assistance Act of 1978
13 (16 U.S.C. 2103a), or an equivalent plan
14 approved by the State Forester,

15 “(ii) conducted under the guidance of
16 a qualified forestry professional (as deter-
17 mined by the Secretary in consultation
18 with the United States Forest Service), or

19 “(iii) conducted on lands certified to a
20 third-party audited forest certification sys-
21 tem or similar land management protocol,
22 as determined by the United States Forest
23 Service.”.

24 (b) EFFECTIVE DATE.—The amendment made by
25 subsection (a) shall apply to the disposition or severance

1 of standing timber after the date of the enactment of this
2 Act.

3 **SEC. 3. REPORT ON SIMPLIFYING SPECIAL USE VALUATION**
4 **FOR WOODLANDS.**

5 (a) REPORT REQUIRED.—Not later than 180 days
6 after the date of the enactment of this Act, the Commis-
7 sioner of the Internal Revenue Service, in cooperation with
8 the Chief of the U.S. Forest Service, shall submit to the
9 Senate Finance Committee and the House Ways and
10 Means Committees a report on the use of section 2032A
11 of the Internal Revenue Code of 1986 by woodland owners
12 and recommendations to simplify this provision for use by
13 such owners.

14 (b) CONTENTS OF REPORT.—The report shall include
15 the following elements:

16 (1) An analysis of barriers woodland owners
17 may face to using this section including difficulties
18 with meeting material participation requirements
19 and lack of consistent woodland valuation methods.

20 (2) Recommendations for simplifying valuation
21 of woodlands and material participation require-
22 ments for purposes of Section 2032A of the Internal
23 Revenue Code of 1986.

1 **SEC. 4. INCREASE LIMITATION ON AGGREGATE REDUC-**
2 **TION IN FAIR MARKET VALUE.**

3 (a) **IN GENERAL.**—Paragraphs (2) and (3) of section
4 2032A(a) of the Internal Revenue Code of 1986 are both
5 amended by striking “\$750,000” each place it appears
6 and inserting “\$5,000,000”.

7 (b) **ADDITIONAL MODIFICATION TO INFLATION AD-**
8 **JUSTMENT.**—Paragraph (3) of such Code, as amended by
9 subsection (a), is amended—

10 (1) by striking “1998” and inserting “2012”,

11 and

12 (2) by striking “1997” and inserting “2011”.

13 (c) **EFFECTIVE DATE.**—The amendment made by
14 subsection (a) shall apply to estates of decedents dying
15 after December 31, 2012.

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