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NOTICE

FOREST PRODUCT SEVERERS AND PROCESSORS

The purpose of this notice is to provide guidance to persons liable for the forest severance and processors tax on lumber. Section 9-13-82(a), Code of Alabama 1975 states in part:

The measure of the tax is at the following rate: (1) on pine lumber \$0.50 per 1,000 feet board measure lumber tally. Where the timber is sold as logs and is not converted into lumber in Alabama, the rate shall be \$0.75 per 1,000 feet log scale (Doyle rule), except that logs under eight inches in diameter inside the bark at the small end shall be scaled as containing one foot log scale for each foot of length, or, at the election of the taxpayer, the rate shall be \$0.10 per ton (2,000 pounds). *Emphasis added.*

1. Per the above-referenced code section, all manufacturers/sawmills who obtain logs within Alabama and process the logs into lumber in Alabama are required to compute the tax based on the **actual board feet, i.e., the actual lumber produced from a log, not on the log's weight.**
2. Timber sold as logs that is not converted into lumber in Alabama, i.e., that is shipped out-of-state, is required to have the tax computed based on the **log scale or rate per ton.**
3. It is the taxpayer's responsibility to maintain records which substantiate the payment of the tax.

Additional information concerning the forest severance/processors tax including the tax rates can be found on the Department's webpage at <http://revenue.alabama.gov/severancetax/fptax.cfm>

Questions concerning this notice should be directed to:

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