

Form T (Timber) (Revised August 1965) U.S. Treasury Department Internal Revenue Service	FOREST INDUSTRIES SCHEDULES (Supplemental to the income tax return form for taxpayers operating, buying, leasing, or selling timber lands)	Submit in duplicate (only one set of maps is required)
For taxable year ended _____	Name _____	
Check form of organization: <input type="checkbox"/> Corporation. <input type="checkbox"/> Partnership. <input type="checkbox"/> Fiduciary. <input type="checkbox"/> Individual.	Number and street _____	
	City or town, state and postal ZIP code _____	

INSTRUCTIONS

The applicable schedules should be filled in and filed with the income tax return by each taxpayer who has cut standing timber owned, leased, or under contract by him, or who has acquired standing timber by purchase, lease, or otherwise, or who has relinquished standing timber by sale, lease, or otherwise, or who has sold cutover forest land during the taxable year or who has elected in his income tax returns to claim gain

or loss from the cutting of timber in accordance with section 631(a) of the Internal Revenue Code. If sufficient space is not available for the information required, attach separate sheets and number the answer so that it can be identified with the question.

This form should be completed in accordance with sections 611, 631, and 1231 of the Code and the regulations thereunder.

SCHEDULE A.—MAPS

1. This schedule consists of a map (or maps) and is optional with the taxpayer, except that the Commissioner will require maps in individual cases if the information submitted is not clear. Maps furnished should show the name of the taxpayer and the year covered. Maps of convenient size are desirable, varying in scale from 4 inches to the mile in small tracts to 1/2 inch to the mile in large tracts. The following standard colors and symbols will be found convenient.

Colored Yellow

2. Merchantable timber acquired during the taxable year (whether or not the land under the timber was also acquired). This classification should include areas from which part, but not all, of the merchantable timber had been removed before it was acquired by the taxpayer.

Uncolored With Black Horizontal Hatching

3. Cutover land and other land not bearing merchantable timber acquired during the taxable year.

Black Vertical Hatching

4. Merchantable timber cut during the taxable year. (If the merchantable timber has been cut clean, the hatching lines should be unbroken; if only part of the merchantable timber has been cut, the hatching lines should be broken.)

Red Diagonal Hatching

5. Merchantable timber or untimbered land sold, or otherwise disposed of, during the taxable year. (If land, having timber standing upon it, has been sold and the timber has been reserved from sale, such land should not be included in this classification.)

SCHEDULE B.—PURCHASES

6. For the taxable year, report purchases (or other acquisition, as by trade) of timber or land or both. Each single purchase involving a total consideration of \$2,000 or more should be reported separately, stating month and year of purchase. Purchases for considerations less than \$2,000 may be reported in the aggregate for each timber or land account, and item 9 may be omitted for such aggregates of small purchases. In case of a purchase or lease of timber on a stumpage basis, to be paid for at intervals during the cutting period in accordance with the number of units

cut, do not answer items 10 to 14, inclusive, but give instead a brief digest of the principal provisions of the purchase or lease agreement, including the number of years from effective date to date of expiration, minimum cut or payment, and the rate or rates of payment for the different kinds of timber and forest products involved. Small purchases on a stumpage basis completed within the taxable year may be reported in the aggregate. Insert as many additional sheets covering the following outline, items 7 to 16, as may be necessary.

7. Name of block and title of account _____

8. Location of property (by legal subdivisions, map, or best description possible) _____

9. Name and address of vendor with exact date of purchase _____

10. Amount paid: (a) in cash _____ \$ _____

(b) in interest bearing notes _____ \$ _____

(c) in non-interest bearing notes _____ \$ _____

11. (a) Amount paid in other considerations, \$.....
 (b) Explanation as to nature of other considerations and how value given in 11(a) was determined
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12. (a) Legal expense, \$.....
 (b) Cruising, surveying, and other acquisition costs, \$.....
13. Total cost of property (sum of 10 to 12 (b)), \$.....
14. Allocation of total cost as on books:

	<i>Per unit</i>	<i>Total cost</i>
(a) Land, _____ acres at \$.....	\$.....	\$.....
(b) Saw timber, _____ M feet at \$.....	\$.....	\$.....
(c) Other timber _____, \$.....	\$.....	\$.....
(d) Young growth _____, \$.....	\$.....	\$.....
(e) Improvements (list separately) _____	\$.....	\$.....
(f) Other (describe) _____	\$.....	\$.....

NOTE.—Total of values under 14 (a), (b), (c), (d), (e), and (f) should equal 13.

15. Area acquired in acres of—
- (a) Timberland _____ (b) Cut-over land _____
 (c) Other surface land (describe) _____ (d) Timber rights apart from land _____

NOTE.—Total of 15 (a), (b), and (c) should equal area reported in 14(a).

16. Estimated total quantity of timber present upon the date of purchase. (Give this estimate in detail, as made for purposes of the purchase, showing if possible the quantity of each species of saw timber and of other forest products, such as pulpwood, poles, ties, and bark, each measured in the customary units; stating the name of the log rule or other unit of measure used. State whether timber was virgin, or second growth, or whether it had been culled for certain species, or worked for some product such as turpentine.)

- (a) On the area cut over in each purchase give the actual log scale cut as compared with the original estimate.

SCHEDULE C.—PROFIT OR LOSS FROM SALES OF LAND AND/OR TIMBER

17. For the taxable year, report all sales (or other disposition, as by trade) of timber or timberland. Each single sale involving a total consideration of \$2,000 or more should be reported separately. Sales for considerations of less than \$2,000 may be reported in the aggregate for each timber or land account, and item 20 may be omitted for such aggregates of small sales. In case of a sale or lease of timber on a stumpage basis, to be paid for at intervals during the cutting period in accordance with the number of units cut, answer items 21, 25, and 26 for the taxable year only; and instead of answering items 22, 23, and 24, give a brief digest of the principal provisions of the sale or lease agreement, including the number of years from effective date to date of expiration, minimum cut or payment, and the rate or rates of payment for the different kinds of timber and forest products involved. Small sales on a stumpage basis completed within the taxable year may be reported in the aggregate. Insert as many additional sheets covering the following outline, items 18 to 27, as may be necessary.

18. Name of block and title of account
19. Location of property (by legal subdivisions, map, or best description possible):

20. Name and address of purchaser with exact date of sale

21. Amount received: (a) in cash..... \$.....
 (b) in interest bearing notes..... \$.....
 (c) in non-interest bearing notes..... \$.....

22. Amount received in other considerations..... \$.....

23. Explanation as to nature of other considerations and how value given in 22 was determined

24. Total amount received for property..... \$.....

Totals

25. Total cost of property (or value as of March 1, 1913, of any items owned on that date):
- (a) Land, _____ acres at _____ per acre \$ _____
 - (b) Saw timber, _____ M feet at _____ per M \$ _____
 - (c) Other timber _____ at _____ per M \$ _____
- Other items included in sale:
- (d) _____ \$ _____
 - (e) Total cost or value _____ \$ _____
 - (f) Expenses of sale (cruising, marking, selling, etc.) _____ \$ _____
26. Profit or loss (item 24, or item 21 in case of lease, less items 25 (e) and 25 (f)) _____ \$ _____
27. Estimated total quantity of timber upon the date of sale. (Give this estimate in detail, as made for purposes of the sale, showing if possible the quantity of each species of saw timber and of other forest products, such as pulpwood, poles, ties, and bark, each measured in the customary units, stating the name of the log rule or other unit of measure used. State whether timber was virgin, or second growth, or whether it had been culled for certain species, or worked for some product such as turpentine.)

SCHEDULE D.—PROFIT OR LOSS FROM SALES OF CUTOVER LAND

28. For the taxable year, report sales (or other disposition, as by trade) of cutover lands. If more than one land account is carried, make a separate report for each account, using the following outline, items 29 to 35:
29. Area of land sold, exclusive of installment sales _____
30. Total consideration received (if not in cash and notes, attach explanation) _____
31. Total cost, or value as of March 1, 1913 _____
32. Explain how answer to 31 was determined _____
33. Profit or loss (item 30 less item 31) _____
34. Installment sales made in this taxable year:

(a) Area	(b) Total consideration	(c) Cost or value Mar. 1, 1913	(d) Total profit	(e) Percent profit (d) ÷ (b)	(f) Payment this year	(g) Profit this year (f) × (e)

35. Installment sales made in prior years:

(a) Year sold	(b) Total profits	(c) Profit reported in prior years	(d) Percent profit	(e) Payment this year	(f) Profit this year (e) × (d)

SCHEDULE E.—LOSSES

36. If during the taxable year the taxpayer sustained any losses due to fire, insects, wind, or other causes, and if a deduction on account of such loss is claimed in the income tax return, give for each timber account separately a statement in proof of the loss, including the data called for in items 37 to 40, inclusive:
37. Cause of loss _____
38. Location and area of ground on which loss took place _____
39. Total loss (as deducted in return), \$ _____
- 39(a). Amount received from insurance, \$ _____

40. Explanation in detail of how total loss (39) was determined

SCHEDULE F.—CAPITAL RETURNABLE THROUGH DEPLETION

The data indicated, 41 to 56, inclusive, should be given separately for each timber account covering the changes, if any, which have taken place during the taxable year. Insert as many additional pages of the same form as may be necessary. Taxpayers depleting on the block basis must combine new purchases with the opening balances and use the average depletion rate shown on line 48 for all timber cut or sold, regardless of how long held.

	(1) Quantity in M feet board measure, log scale, or other unit ¹	(2) Cost or other basis (dollars)
41. Title of account (name of block or tract)		
42. Estimated quantity of timber and amount of capital returnable through depletion at end of the immediately preceding taxable year		
43. Increase or decrease of quantity of timber required by way of correction ²		
44. (a) Addition for growth (period covered years)		
(b) Transfers from young growth account		
(c) Transfers from deferred reforestation account		
45. Acquired during year		
46. Addition to capital during year ³		
47. Total at end of year, before depletion (sum of lines 42 to 46, inclusive, in each column)		
48. Unit rate returnable through depletion; or basis of sales or losses (47(2) divided by 47(1))		
49. Quantity of timber cut during year ⁴		
50. Depletion sustained (48 multiplied by 49) ⁴		
51. Quantity of timber sold or otherwise disposed of during year		
52. Allowable as basis of sale (48 multiplied by 51)		
53. Quantity of timber lost by fire or other cause during year		
54. Allowable as basis of loss (48 multiplied by 53)		
55. Total reductions during year:		
(a) Sum of 49(1) plus 51(1) plus 53(1)		
(b) Sum of 50(2) plus 52(2) plus 54(2)		
56. Net quantity and value at end of year (47(1) minus 55 (a) (1) and 47(2) minus 55(b) (2))		

¹ Give name of log rule. If M feet, log scale, is not the unit used, state what unit was used and explain the unit of measure.
² The quantity in M feet, log scale, or other unit remaining at the end of the year should be adjusted for changes in standards of utilization, scattered and/or indefinitely ascertained losses, inaccuracy of the former estimate, or change in the log scale if the log rule now in use differs from the one used as the basis for depletion in prior years. If such a change is made, the basis upon which it is made should be clearly stated.
³ Such an addition should be analyzed to show the items included. Here are included expenditures for taxes, administration, protection, interest actually paid, etc., if such expenditures have not been treated as expense deductions in the return. Expenditures for reforestation, such as site preparation, planting, seeding, etc., should ordinarily be carried in a separate deferred account.
⁴ If an election is made to claim gain or loss from the cutting of timber under section 631(a), as covered under items 58 to 65, inclusive, all timber acquired during the current taxable year as well as timber acquired within 6 months prior to the beginning of the taxable year should be reported separately both as to the quantity cut and the amount of depletion, with the average unit rate applicable to both.

57. If all the timber reported cut (item 49 above) was not manufactured by taxpayer, state quantity of cut timber that was sold as logs, or other cut products, giving names of principal purchasers

60. The date of acquisition of timber which was cut in taxable year, if acquired subsequent to March 1, 1913, the quantity of timber remaining (adjusted for growth, correction of estimates, changes in utilization, and change in the log rule used, if any), and the adjusted basis at the beginning of the taxable year. State the acreage cutover and the amount of timber cut therefrom during the taxable year, and the log rule or other method used in determining the quantity of timber cut. Where depletion accounts have been kept by separate tracts or purchases, the information should be stated separately for each tract or timber purchase.

58. Did the taxpayer elect in its income tax return to claim gain or loss from the cutting of its timber in accordance with section 631(a) of the Internal Revenue Code? Yes No. If "Yes," the following information should be furnished:

59. Gain or loss as reported in the return showing the adjusted basis for depletion and the fair market value claimed by species and unit rates (if claimed on a species basis).

In all cases where an average depletion rate based on the average value and/or cost of the timber block has

been used in prior years, the adjusted basis referred to in section 631(a) is the average basis shown in item 48, after adjustment.

61. Section 631(a) requires the determination of the fair market value as of the beginning of the taxable year of the timber cut during that year which has been owned by the taxpayer, or upon which he has held a contract right to cut, for a period of more than 6 months prior to the beginning of the taxable year. Accordingly, it is necessary to state in detail the factors with respect to the timber cut which affect its value, such as character, quality and stand per acre, logging conditions and topography, and accessibility to mill or market, etc. (See also section 611 of the Code). It should be stated whether the timber cut was virgin or second growth or whether it had been culled for certain species, or worked for some product such as turpentine. Also give the quantity, kind and character of timber left per acre for later cutting, if any.

62. Evidence in the form of bona fide arm's-length transactions in comparable timber as of the basic date should be furnished. Such evidence must be sufficiently detailed to permit a comparison with the timber on which a value is claimed.

If depletion by species or groups, or selective depletion, or depletion for pulpwood, poles, posts or other timber products, is claimed, and if transactions of other parties are furnished, the actual quantity log scale and/or other units of timber cut should be submitted.

63. For all purchases and sales of timber by the taxpayer, and for all other transactions reported, the relevant information called for by items 6 to 27, inclusive, should be furnished.

64. The following additional information should be furnished:

- (a) Description of the log transportation system used, such as truck roads, railroads, drivable streams, etc., and the main topographic features of the area cutover during the year, as they affect logging and transportation conditions. This may be shown in accompanying maps.
- (b) The location of the sawmill, log market, or other point of delivery to the user or buyer should be stated.
- (c) The total log scale and/or other units of timber cut, with a statement as to the number of logs per M, giving the length and diameter of the average log if an average value is claimed, and the same information for each species or group if species or group values are claimed.
- (d) Information similar to that called for under (a), (b) and (c) above, together with supporting maps, should be furnished with respect to the transactions which are relied on to substantiate the values claimed.
- (e) The percentage of rough lumber grades, by species, produced from the timber manufactured during the year or, if the timber is sold in the log, the percentage of log grades, by species, should be stated.

65. Section 631(a) is restricted to timber owned, or upon which a contract right to cut is held, for more than 6 months prior to the beginning of the taxable year; accordingly scale records of timber cut must be kept so as to show separately the timber cut (a) which has not been owned for such period and (b) which has been owned for such period. The scale by species of the logs purchased during the year must also be stated and eliminated from the footage on which a value is claimed. In this connection describe the logs by size and quality and give the cost and point of delivery.

SCHEDULE G.—LAND OWNERSHIP

66. Show changes in land accounts as carried on the books. Insert as many additional sheets covering the following outline, items 67 to 78, as may be necessary.

	Acres	Total cost and/or value (see note 1)	Average rate per acre
67. Name of account			
68. Balance at beginning of year.....			
69. Purchases during year.....			
70. Sales during year.....			
71. Other changes.....			
72. Balance at end of year.....			

NOTE 1.—State amount of March 1, 1913 appreciation, if included.

73. Show changes during the year in area of land owned, by classes, for the above account.

	Acres of—		
	(a) Timberland	(b) Cutover land	(c) Other land
74. Balance at beginning of year.....			
75. Purchases during year.....			
76. Sales during year.....			
77. Cut over during year.....			
78. Balance at end of year.....			

NOTES: Insert area of timberland cutover during year in both 76(a) and 76(b).
 78(a) equals 74(a) plus 75(a) minus 76(a) minus 77(a).
 78(b) equals 74(b) plus 75(b) minus 76(b) plus 77(b).
 78(c) equals 74(c) plus 75(c) minus 76(c).

SCHEDULE H.—OPERATION

Raw Material Handled		Finished Products Handled	
For each manufacturing operation, state the quantities of raw material handled during the year. State the unit of measure, as 1,000 feet, log scale, cords, linear feet, etc. State what scale was used, and give the name of the log rule used. Use a table similar to the following for each different sort of product.		For each manufacturing operation, state the quantity of lumber handled in 1,000 feet, board measure, lumber tally, during the year; using a table similar to the following. Prepare also a separate similar table for each product not measured in feet-board measure, lumber tally. Do not enter cost or values.	
Product	Quantity	Unit of measure	Quantity
Unit of measure		Describe unit of measure	
Debits		Debits	
79. Inventory at beginning of year.....		90. Lumber inventory at beginning of year.....	
80. Material cut in woods.....		91. Inventory adjustments (increase).....	
81. Material purchased.....		92. Purchases of lumber.....	
82. Inventory adjustments (see note 1).....			
83. TOTAL DEBITS.....		93. TOTAL DEBITS.....	
Credits		Credits	
84. Sold to other operators.....		94. Lumber inventory at end of year.....	
85. Losses (see note 2).....		95. Inventory adjustments (decrease).....	
86. Inventory adjustments (see note 1).....		96. Sales of lumber plus lumber used.....	
87. Inventory at end of year.....		97. Losses of lumber.....	
88. TOTAL CREDITS.....		98. TOTAL CREDITS.....	
89. Quantity used during year..... (83 minus 88)		99. Lumber cut during year..... (98 minus 93)	
		100. Logs sawed during year (same as 89)..... (State in terms of log scale)	
		101. Over run or under run: Quantity of lumber cut (lumber tally) over or under logs sawed, log scale.....	
		102. Over run or under run, percent.....	

NOTE 1.—Enter the correction for ascertained errors in the inventory for the previous year; if the quantity was understated, enter under "debits"; if overstated, enter under "credits."

NOTE 2.—Include only those losses in quantity due to sinkage, breakage, boamage, etc., sustained in handling from stump to manufacturing plant, or to point of sale, as the case may be.