840.0150 Timber Owner. While governmental agencies are normally exempt from property taxes and, therefore, excluded from the definition of "timber owner" contained in Revenue and Taxation Code section 38104, an exception exists when the timber is located on land that is subject to property tax because it is located outside the owning agency’s boundaries and was taxable when acquired. C 5/27/77.
May 27, 1977

Dea:...

Re: Paradise Reservoir Timber Harvest

In your letter of May 25 you indicated that you represent the Paradise Irrigation District. You also stated that the District is in the process of enlarging its reservoir, which is situated outside the District boundaries. In the course of this enlargement timber is being cleared from the property and you wish our opinion as to who should file the timber harvest report and timber tax return.

It is our opinion that your client is responsible for the filings about which you inquire. Section 38104 of the Revenue and Taxation Code defines an owner subject to tax in such a way that certain exempt agencies are excluded. Your client would normally be considered such an exempt agency. However, since the property is located outside the District boundaries and presumably subject to local property taxes, because taxable when acquired, we do not believe that the exclusion from the term "owner" applies in this instance.

Although all timber is now exempt from property tax and subject to the timber yield tax at the time of harvesting, we are nevertheless of the opinion that the status of the land should be taken into account.

Very truly yours,

J. J. Delaney
Chief Counsel

cc: Mr. Paul Crebbin
    Mr. Roy Benson
    Mr. A. F. Goldman