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# Tax Incentive Programs for Private Forests in the Northeastern US

## Forests in the northeastern United States deliver vital services: clean water, timber, biodiversity, carbon storage, recreation, and more.

About **77% of these forests are privately owned, totaling over 64 million acres** (USDA Forest Service 2021). Understanding how tax incentive programs influence landowner behavior is an important consideration in addressing concerns about forest fragmentation, conservation, and climate resilience. For many landowners, property taxes are among the largest barriers to retaining and managing forest land (Butler et al. 2021). To address this, states have developed property tax incentive programs supporting private forest landowners. In exchange for reduced taxes, landowners typically commit to practices such as maintaining a forest management plan or agreeing not to convert land to other uses.

**27%** of private forests in the Northeast participate in tax incentive programs

SOURCE: USDA FOREST SERVICE, 2021

## Management Implications:

Property tax incentive programs may be one of the most effective tools for supporting private forests, but there is room for improvement. Getting the word out and fostering understanding of these programs would likely help increase participation rates. Setting clear goals will help make incentive programs that are best suited to meet those goals. And, policies might need to incorporate specific considerations for areas with increasing development pressure, to address the impacts of urbanization on forests.

## What the Research says:

### PROGRAM DESIGN

- Simpler programs are more effective for forest retention, while more detailed requirements may better support active management and production of forest products (Frey 2023).
- Most programs currently favor timber production over broader ecosystem services such as carbon storage, agroforestry, and non-timber forest products (Kalinin et al. 2023, Kilgore et al. 2018, Cutter et al. 1999, Chizmar et al. 2025)

### PARTICIPATION + EFFECTIVENESS

- Nationally, property tax incentives are the most widely used tool to encourage sustainable forest management on private lands, with 17% of landowners and 26% of family forest land enrolled (Butler et al. 2021).
- These programs have demonstrated effectiveness in promoting sustainable forest management and keeping forests as forest (Chizmar et al. 2025, Frey 2023).
- Larger parcels remain in programs longer, particularly when monetary penalties apply for early exit (Kilgore et al. 2025).

### KEY INFLUENCERS

- Landowner trust in government programs, knowledge of incentives, and commitment to stewardship are critical factors influencing enrollment (Rushakoff et al., 2024).
- Urbanization pressure in surrounding areas can be a significant factor in landowners' decisions to remove parcels from tax incentive programs (Ma et al. 2014).

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## The Basics: Participation in Forest Tax Incentive Programs

(Kilgore et al. 2018, minimum parcel size data from timbertax.org 2020, percent data based on total private forest land data from Butler et al. 2016.)

| STATE | MINIMUM PARCEL SIZE (acres) | LANDOWNERS ENROLLED (estimated) | TOTAL AREA ENROLLED (acres) | PORTION OF PRIVATE FOREST ENROLLED (%) | AVERAGE ANNUAL NET TAX BENEFIT ($ per acre) |
|---|---|---|---|---|---|
| CT | 25 | 6,675 participants | 480,000 | 37.70% | $2.61 |
| DE | n/a | 400 parcels | 33,000 | 11.83% | n/a |
| ME | 10 | 63,210 participants | 3,691,633 | 22.57% | $1.42 |
| MD | 5 | 1,300 participants | 84,000 | 4.64% | $3.35 |
| MA | 10 | 7,150 participants | 306,000 | 15.66% | $1.97 |
| NH | 10 | 48,730 participants | 2,612 | 0.08% | $3.42 |
| NJ | 5 | 10,875 participants | 238,166 | 24.53% | $5.81 |
| NY | 50 | 2,849 parcels | 1,103,700 | 7.83% | $9.46 |
| PA | 10 | 92,540 participants | 4,238,197 | 35.43% | $13.23 |
| RI | 10 | 2,530 participants | 139,000 | 52.65% | $9.54 |
| VT | 25 | 17,000 parcels | 2,300,000 | 64.19% | $5.74 |
| WV | 10 | 41,445 participants | 2,242,200 | 21.16% | $8.20 |

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