



# MAINE REVENUE SERVICES PROPERTY TAX DIVISION BULLETIN NO. 19

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## TREE GROWTH TAX LAW

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REFERENCE: 36 M.R.S. §§ 571 - 584-A  
April 2, 2026; replaces December 19, 2022 revision

### 1. General

The Tree Growth Tax Law program, otherwise known as the Tree Growth program, allows certain land to be valued according to its current use, rather than its highest and best use (i.e., its just value), if the land is used primarily for the growth of trees to be harvested for commercial use. Except in areas where forest land is the highest and best use, the assessment of land according to its current use generally results in a lower municipal assessed value and a reduction in the property taxes that would otherwise be assessed on the land.

This bulletin is intended solely as advice to assist persons in determining and complying with their legal rights, duties, and privileges under Maine law. For more information regarding the Tree Growth program, contact your local municipal assessor or Maine Revenue Services (“MRS”).

### 2. Definitions

- A. Assessor. “Assessor” means a sworn municipal assessing authority, whether an individual assessor, a board of assessors, or a chief assessor of a primary assessing area. With respect to the unorganized territory, “assessor” means the State Tax Assessor.
- B. Certified ratio. “Certified ratio” means the level of municipal assessed value, expressed as a percentage, relative to just value as certified by the assessor pursuant to 36 M.R.S. § 383. A certified ratio of 100% means that the municipal assessed value of real estate is, on average, equal to just value.
- C. Commercial harvesting or harvesting for commercial use. “Commercial harvesting” or “harvesting for commercial use,” as defined in 36 M.R.S. § 573(2-A), means the harvesting of forest products that have commercial value.
- C. Forest land. “Forest land,” as defined under 36 M.R.S. § 573(3), means land used primarily for growth of trees to be harvested for commercial use, but does not include ledge, marsh, open swamp, bog, water, and similar areas, which are unsuitable for growing a forest product or for harvesting for commercial use even though these areas may exist within forest lands.

Land that would otherwise be included under this definition may not be excluded because of:

- (1) Multiple uses for public recreation;

- (2) Statutory or governmental restrictions which prevent commercial harvesting of trees or require a primary use of the land other than commercial harvesting;
  - (3) Deed restrictions, restrictive covenants, or organizational charters that prevent commercial harvesting of trees or require a primary use of land other than commercial harvesting and that were effective prior to January 1, 1982; or
  - (4) Past or present multiple use for mineral exploration.
- D. Forest management and harvest plan. “Forest management and harvest plan,” as defined under 36 M.R.S. § 573(3-A), means a written document that outlines activities to regenerate, improve, and harvest a standing crop of timber. The plan must include the location of water bodies and wildlife habitats identified by the Department of Inland Fisheries and Wildlife. A plan may include, but is not limited to, schedules and recommendations for timber stand improvement, harvesting plans, and recommendations for regeneration activities. The plan must be prepared by a licensed professional forester or a landowner and be reviewed and certified by a licensed professional forester as consistent with this subsection and with sound silvicultural practices.
- E. Forest products that have commercial value. “Forest products that have commercial value,” as defined under 36 M.R.S. § 573(3-B), means logs, pulpwood, veneer, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel wood, Christmas trees, maple syrup, nursery products used for ornamental purposes, wreaths, bough material, or cones or other seed products.
- F. Forest type. “Forest type,” as defined under 36 M.R.S. § 573(4), means a stand of trees characterized by the predominance of one or more groups of key species which make up 75% or more of the sawlog volume of sawlog stands, or cordwood in pole timber stands, or of the number of trees in seedling and sapling stands.
- G. Just value. “Just value” means market value, i.e., the amount in cash that could reasonably be expected to be paid by an informed buyer to an informed seller for a property, each acting without compulsion in an arm’s-length transaction.
- H. Land classification map. “Land classification map” means a map showing the location within a particular parcel of the different forest types (softwood, hardwood, mixed wood), water bodies, wildlife habitats designated by the Maine Department of Inland Fisheries and Wildlife, and a description and location of land to be excluded from the Tree Growth program. A land classification map is an essential part of a forest management and harvest plan.
- I. Municipal assessed value. “Municipal assessed value” means the property value established by the assessor for purposes of local property taxation.
- J. Parcel. “Parcel,” as defined under 36 M.R.S. § 574-B, means a unit of real estate, even if it is divided by a road, way, railroad or pipeline, or by a municipal or county line.

- K. Residential structure. “Residential structure,” as defined under 36 M.R.S. § 573(6-A), means a building used for human habitation as a seasonal or year-round residence. It does not include structures that are ancillary to the residential structure, such as a garage or storage shed.
- L. Shoreland area. “Shoreland area,” as defined under 36 M.R.S. § 574-C(2) and 38 M.R.S. § 435, means land within 250 feet of the normal high-water line of any great pond, river or saltwater body, within 250 feet of the upland edge of a coastal wetland, within 250 feet of the upland edge of a freshwater wetland except as otherwise provided in 38 M.R.S. § 438-A(2) or within 75 feet of the high-water line of a stream.

### 3. Eligibility

To be approved for classification under the Tree Growth program, land must meet certain size and use requirements.

- A. Minimum size. A parcel must contain at least ten acres of forest land. Parcels that contain a structure that requires a minimum lot size under a municipal ordinance or state law must exclude either the required minimum lot size or one-half acre, whichever is larger, from classification. See Section 4(A)(2) for more information.
- B. Use. Parcels must be used primarily for the growth of trees to be harvested for commercial use. Parcel owners must manage the land in accordance with the forest management and harvest plan and according to accepted forestry practices designed primarily for the growth of trees to be harvested for commercial use. Accepted forestry practices may include, but are not limited to, timber harvesting, tree planting, direct seeding, site preparation, thinning, cleaning, weeding, pruning, inventory of standing timber, forest protection measures (insect, fire, wind, invasive plants, etc.), and boundary line work. Timber harvesting must be consistent with sound silvicultural practices.

The existence of multiple uses on forest land does not necessarily render the land ineligible for the Tree Growth program as long as the land remains primarily used for the growth of trees to be harvested for commercial use.

### 4. Application Process

Landowners must file an application for classification under the Tree Growth program with the assessor of the municipality where the parcel is located by April 1 of the year in which classification is first requested. Applications for classification must include the written consent of all owners with an interest in the parcel, excluding the State. Applications for the Tree Growth program can be found on the MRS website and with the local municipal assessor.

Separate Tree Growth applications must be filed for each portion of a parcel that is divided by a road, way, railroad or pipeline, or by a municipal or county line.. If a landowner is filing a Tree Growth application for the portion of a parcel that crosses into another county or municipality, and that portion is less than ten forested acres, the landowner must provide copies of all applicable Tree Growth applications to the assessor of each municipality.

Assessors may request the filing of an updated Tree Growth application at any time by giving the landowner a minimum of 120 days' written notice of the request.

A. Information required. Applications for classification under the Tree Growth program must include the following information.

- (1) Map. A land classification map must accompany an application for classification under the Tree Growth program.
- (2) Forest management and harvest plan. A forest management and harvest plan must be prepared for each parcel in the Tree Growth program. Forest management and harvest plans must be updated every ten years. On the initial application, and every ten years thereafter, the landowner must file a sworn statement with the assessor where the parcel is located stating that a current forest management and harvest plan has been prepared for the parcel. The landowner must comply with the plan and every ten years must submit to the assessor a sworn statement from a licensed professional forester stating that the landowner is complying with the plan.
- (3) Attestation. A landowner must provide an attestation signed by all owners of the property and the licensed forester who prepared the forest management and harvest plan. The attestation must be provided if:
  - a. a landowner is required to provide the assessor evidence that a forest management and harvest plan has been prepared or updated.
  - b. a landowner is claiming compliance with a forest management and harvest plan prepared by the previous Tree Growth program landowner.

A completed Tree Growth application, including the forester's sworn statement, serves as both the landowner's attestation and evidence of compliance with the forest management and harvest plan.

B. Review. An assessor may require additional evidence to confirm a landowner's conformity with the forest management and harvest plan. A forest management and harvest plan provided to the assessor for review is confidential and is not a public record. After reviewing a forest management and harvest plan, the assessor must return it to the owner or the owner's agent on request. An assessor may make a copy of a forest management and harvest plan only when authorized to do so by the landowner.

Upon request of the assessor, the Bureau of Forestry may provide assistance in evaluating a forest management and harvest plan to determine whether the plan meets the definition of a forest management and harvest plan and whether a harvest or other silvicultural activity conducted on Tree Growth land complies with the forest management and harvest plan prepared for that parcel. When assistance is requested, Bureau of Forestry may enter and examine forest land for the purpose of determining compliance with the forest management and harvest plan.

For additional information on forest management and harvest plans or to locate a licensed forester, contact the Bureau of Forestry.

#### 4. Valuation

- A. Valuation of forest land. MRS determines each year the 100% value per acre for each forest type, for each region of the state. These values are adopted annually via MRS Rule 202 – Tree Growth Tax Law Valuations, and are made available at the beginning of the applicable property tax year. Rule 202 is available on the MRS website after promulgation. Assessors are annually required to adjust the applicable 100% value from MRS for each forest type by the certified ratio applicable to the municipality where the land is located.

Land in the Tree Growth program is assessed at the same property tax rate applicable to other property in the municipality.

- B. Valuation of land other than forest land. Land within a parcel that is not forest land must be assessed according to its just value. These include:
- (1) Structures. The land under a structure that requires a minimum lot size is excluded from classification under the Tree Growth program and must be assessed according to its just value, rather than its current use. The amount of land that is excluded from classification is either the applicable minimum lot size required under the municipal ordinance or state law, or one-half acre, whichever is larger.
  - (2) Shoreland areas. For each residential structure requiring a minimum lot size and located within a shoreland area; a parcel must exclude from classification the area in paragraph (1) above, and 100 feet of shoreland frontage or the minimum shoreland frontage required by the applicable zoning ordinance, whichever is larger. If the parcel has less than 100 feet of shoreland frontage, the entire shoreland frontage must be excluded. An exception applies if the structure is used principally for commercial activities related to forest products that have commercial value as long as any residential use is nonrecreational, temporary in duration, and purely incidental to the commercial use.
  - (3) Recreational use leases. When the consideration received for a recreational use lease of forest land exceeds the established Tree Growth program land value for a parcel of 100 acres or more, the land is no longer used primarily for the growth of trees to be harvested for commercial use. When an assessor determines the recreational use lease value exceeds the Tree Growth program land value, the landowner has 60 days to either terminate the lease, adjust the lease terms to reduce the value to an acceptable level, or withdraw the parcel from the Tree Growth program.
- C. Reduction in value for natural disaster. Upon written request, an assessor may reduce the value of land in the Tree Growth program if fire, disease, insect infestation or other natural disaster reduces the volume of trees to less than three cords per acre of salable wood. The reduced value is equal to 25% of the value provided under Rule 202 – Tree Growth Tax Law Valuations for each of the first ten years following the disaster.

## 5. Transfer of Classified Forest Land

When a landowner sells or transfers forest land enrolled in the Tree Growth program to another person, the new landowner must, within one year of the date of transfer, file with the assessor: (1) a sworn statement that the new landowner has prepared a forest management and harvest plan; or (2) a statement from a licensed professional forester that the land is being managed in accordance with the plan prepared for the previous landowner. If the new landowner chooses to follow the previous landowner's plan, the new landowner must complete the required ten-year compliance inspection and recertification within ten years from the date the previous owner's plan was most recently certified.

The Tree Growth application is required for filing the above statements. Failure to timely file a statement required above may result in a notification of noncompliance from the assessor and the assessment of penalties. See Section 6 for more information regarding noncompliance; and Section 7 for more information regarding withdrawal penalties. A person who has purchased or acquired land enrolled in the Tree Growth program may not commercially harvest or authorize the commercial harvest of forest products that have commercial value until one of the statements above is filed with the assessor.

If the sale of a portion of a classified parcel results in a parcel being less than ten forested acres, the parcel must be withdrawn from classification and the withdrawal penalty must be assessed against the seller of the property, unless an exception to the withdrawal penalty applies. See Section 7 for more information regarding withdrawal penalties.

## 6. Reclassification and Withdrawal

- A. Reclassification as to forest type. An owner of forest land enrolled in the Tree Growth program is responsible for reporting any changes in forest type to the assessor. The assessor shall reclassify forest land as to forest type upon request by the landowner or on the assessor's own initiative with proper evidence to justify the reclassification.
- B. Change in use and withdrawal. An owner of forest land enrolled in the Tree Growth program is also responsible for reporting to the assessor any change in the use of the forest land. This includes, but is not limited to, the land no longer being used primarily for the growth of trees to be harvested for commercial use. If the assessor determines, based on reporting from the landowner, that land classified under the Tree Growth program no longer qualifies, the assessor shall send the required noncompliance notices described below, withdraw the parcel from classification, and assess a withdrawal penalty.
- C. Withdrawal by assessor. If an owner of forest land enrolled in the Tree Growth program fails to report to the assessor a disqualifying change in the use of the forest land, the assessor must assess the taxes that should have been paid, assess a withdrawal penalty, and assess an additional penalty equal to 25% of the withdrawal penalty. The assessor may waive the additional penalty for cause.
- D. Withdrawal by landowner. An owner of land classified under the Tree Growth program must notify the assessor, in writing, if there is any disqualifying change to the land before the end of the tax year in which the change occurs. Upon receipt of the notice, the assessor must withdraw

the land from classification under the Tree Growth program and assess a withdrawal penalty, unless an exception to the withdrawal penalty applies.

An owner may also, in writing, request the withdrawal of a parcel or portion of a parcel from classification under the Tree Growth program at any time. When withdrawing only a portion of a parcel, the owner must file a revised map showing the area to be withdrawn and the area that will remain in the Tree Growth program. To remain in the program, the remaining parcel must meet all requirements of the Tree Growth program, including the ten-acre minimum. Upon receipt of the request, the assessor must remove the parcel or portion of the parcel from classification under the Tree Growth program and assess a withdrawal penalty, unless an exception to the withdrawal penalty applies.

E. Withdrawal timeline.

- (1) Notice of noncompliance. No earlier than 185 days prior to the 10-year filing deadline for an updated Tree Growth application and accompanying land classification map, if the landowner has not yet complied with the filing requirements, the assessor must provide the landowner with written notice by certified mail. The written notice must include the following three notifications for the landowner:
  - a. The statutory requirements that must be met to maintain compliance with the Tree Growth program, including filing an updated Tree Growth application and accompanying land classification map, and the deadline for compliance or the deadline by which the parcel may be transferred into another current use program, including the Farm and Open Space programs under 36 M.R.S. §§ 1101 – 1121, or the Working Waterfront program under 36 M.R.S. §§ 1131 – 1140-C;
  - b. Failing to meet the deadline for filing an updated Tree Growth Application and accompanying land classification map or for transfer of the parcel to another current use program will result in an administrative penalty of \$500; and
  - c. Continued noncompliance following the administrative penalty will lead to a second administrative penalty of \$500.

The notice must specify the date by which the owner must comply. If the assessor issues the notice of compliance fewer than 120 days before the compliance deadline, the owner has 120 days from the date of the notice to provide the assessor with the documentation to achieve compliance with the statutory requirements.

- (2) First administrative penalty. If a landowner fails to timely provide the assessor with the documentation required to achieve compliance with the requirements of the Tree Growth program or fails to meet the deadline for transfer to another current use program as specified in the noncompliance notice, the assessor will impose a \$500 penalty. The penalty is collected as a supplemental assessment pursuant to 36 M.R.S. § 713-B.
- (3) The assessor must notify the landowner when the first administrative penalty has been assessed. The assessor must additionally notify the landowner that, if the landowner fails to comply with the requirements of the Tree Growth program or fails to meet the deadline

for transfer to another current use program within six months of the first administrative penalty, the assessor will impose a second \$500 penalty.

- (4) Second administrative penalty. If, six months following assessment of the first administrative penalty, the landowner fails to timely provide the assessor with the documentation required to achieve compliance with the requirements of the Tree Growth program or fails to meet the deadline for transfer to another current use program, the assessor will impose a second \$500 penalty. The penalty is collected as a supplemental assessment pursuant to 36 M.R.S. § 713-B.

The assessor must notify the landowner when the second administrative penalty has been assessed. The assessor must additionally notify the landowner that, if the landowner fails to comply with the requirements of the Tree Growth program or fails to meet the deadline for transfer to another current use program within six months of the second administrative penalty, the assessor will withdraw the parcel from classification under the Tree Growth program.

- (5) Withdrawal. If, six months following assessment of the second administrative penalty, the landowner remains in non-compliance or fails to meet the deadline for transfer to another current use program, the assessor must withdraw the parcel from classification under the Tree Growth program and assess a withdrawal penalty as described in Section 7.

- (6) Other notices. The assessor may, but is not required to, issue other notices or compliance reminders to property owners at any time in addition to the notices described above.

F. Penalty exceptions. There is no penalty for the withdrawal of forest land from the Tree Growth program if that forest land qualifies for and is transferred to another current use program, including the Farm and Open Space Tax Law program under 36 M.R.S. §§ 1101 – 1121, or the Working Waterfront program under 36 M.R.S. §§ 1131 – 1140-C. In addition, there is no penalty if the land is withdrawn as a result of the exercise or threatened exercise of eminent domain.

G. Penalty. The assessor must impose a penalty for withdrawal of land from the Tree Growth program under Maine law and the Maine Constitution. The withdrawal penalty is the greater of:

- (1) The difference between the taxes that would have been assessed for the five tax years preceding withdrawal, calculated as if the land had been assessed using the just value on the date of withdrawal, adjusted by the municipality's certified ratio, and the taxes that were actually paid on the land for the preceding five tax years, plus interest at the prevailing municipal rate from the date each year's taxes were due. If the land has been classified under the Tree Growth program for fewer than five years, the penalty must be calculated starting with the year in which the land was first classified.
- (2) A percentage of the difference between the 100% value of the classified forest land on the April 1 immediately preceding withdrawal (calculated using the values published in MRS Rule 202 – Tree Growth Tax Law Valuations) and the assessed just value of comparable property in the municipality adjusted by the municipality's certified ratio on the date of

withdrawal. The percentage is based on the number of years the land has been classified in the Tree Growth program, and equals:

|                  |     |
|------------------|-----|
| 10 years or less | 30% |
| 11 years         | 29% |
| 12 years         | 28% |
| 13 years         | 27% |
| 14 years         | 26% |
| 15 years         | 25% |
| 16 years         | 24% |
| 17 years         | 23% |
| 18 years         | 22% |
| 19 years         | 21% |
| 20 years or more | 20% |

H. Withdrawal penalty examples. The following are examples of the Tree Growth penalty calculation. The calculation of the withdrawal penalty is based on several factors and may vary based on each landowner's circumstances. For more information on how the withdrawal penalty may be calculated in a given circumstance, landowners may contact their local assessor or MRS.

**Example 1.** A landowner has ten acres of land classified under the Tree Growth program. The land has been enrolled for 10 years. Under the Tree Growth program, the land is valued at \$500 per acre, and the landowner has paid \$75.00 in property taxes each year for the prior five years. If the land had not been classified under the program, the land would be valued at \$2,000 per acre, and the landowner would have paid \$300.00 in property taxes each year for the prior five years. The municipality where the land is located had a 100% certified ratio for all of the last five years.

The landowner elects to withdraw all ten acres from the Tree Growth program after taxes are due. The penalty is \$1,125 – \$300 minus \$75, for each of the five years – which must be adjusted by the prevailing municipal interest rate(s); or \$4,500 – 30% of \$2,000 minus \$500 for ten acres of withdrawn land.

The landowner must pay a penalty of \$4,500.00 for withdrawing the land from the Tree Growth program, since the second calculation results in a larger penalty than the first. Note that the penalty may differ if the landowner withdraws the property from the Farmland program prior to that year's taxes being due.

**Example 2.** Same facts as Example 1, but the municipality where the land is located had a certified ratio of 80% for each of the last five years. The value of the land enrolled in the Tree Growth program is \$625.50 per acre after having been adjusted by the certified ratio. The landowner paid \$93.75 in property taxes based on the adjusted value for each of the prior five years. If the land had not been enrolled in the Tree Growth program, it would have been valued at \$2,500.00 per acre after having been adjusted by the certified ratio. The landowner would have paid \$375.00 in property taxes each year based on the adjusted value for each of the prior five years.

The landowner elects to withdraw all ten acres from the Tree Growth program after taxes

are due. The penalty is \$1406.25 (\$375 minus \$93.75, for each of the five years), which must be adjusted by the prevailing municipal interest rate(s); or \$5623.50 (30% of \$2,500 minus \$625.50 for ten acres of withdrawn land).

The landowner must pay a penalty of \$5,623.50 for withdrawing the land from the Tree Growth program since the second calculation results in a larger penalty than the first. Note that the penalty may differ if the landowner withdraws the property from the Tree Growth program prior to that year's taxes being due.

**NOTE:** The penalty calculation is based on several factors and may vary based on that applicant's circumstances. For more information on how the Tree Growth penalty may be calculated in a given circumstance, taxpayers may contact their local assessor or MRS.

## 8. Appeals

Denial of applications for classification and assessments under the Tree Growth program, including assessments of penalties, may be appealed using the abatement process in 36 M.R.S. §§ 841 – 849. For more information regarding how to file an abatement, see Bulletin No. 10 – Property Tax Abatement and Appeals Procedures.

## 9. Financial Assistance

Financial assistance for preparation of forest management and harvest plans may be available from federal and state sources. Ask your forester, contact a Natural Resources Conservation Service Center, or contact Bureau of Forestry.

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