



Bossier Parish Office
P O Box 370
Benton, LA 71006-0370
Courthouse, 4th Floor
204 Burt Boulevard
(318) 965-2326
FAX (318) 965-3712

TIMBER TALES

No. 124

News and Ideas for Forest Landowners from Ricky L. Kilpatrick, Area Agent in Forestry

2nd Quarter 2008

Wade Dubea Named New State Forester

After interviewing nearly a dozen candidates, the Louisiana Forestry Commission has selected a new state forester, Agriculture and Forestry Commissioner Mike Strain, D.V.M., announced.

Wade Dubea, a New Roads native and current resident of St. Francisville, was chosen to replace former State Forester Paul Frey who retired last year.

"I am pleased with the Commission's selection and look forward to working with Wade to advance the state's forest industries," Strain said.

Humbled and honored after being chosen, Dubea said he looks forward to facing the challenges ahead of him. "I recognize the issues facing Louisiana's State Forester, but the opportunity to influence all aspects of forestry in the state, as well as represent Louisiana nationally, is indeed a privilege," Dubea said. "I welcome the opportunity to continue the legacy established by preceding generations while celebrating the rich history of our past."

Dubea has been an employee of the Department of Agriculture and Forestry since 2001 and worked his way up through the ranks of the forestry office. His most recent position was branch chief for information and education. Dubea has also served as a forest inventory analyst and forest education program director/Project Learning Tree Coordinator.

"Wade's successful efforts to educate the public about trees and their role in our environment and economic impact have prepared him to excel in his new job as State Forester," Strain said. "This is an industry with a \$4.9 billion economic value in Louisiana and you can rest assured Wade is highly capable of leading the district foresters, enforcement officers, urban foresters, fire crews and others who serve the industry."

Dubea is a graduate of Catholic High of Pointe Coupee and Louisiana State University. He obtained an alternative teaching certificate from LSU in 2003. Dubea previously worked for forest products company Temple-Inland as a geographic information systems forester in southeast Texas and taught high school biology and environmental science at the Dunham School in Baton Rouge.

Dubea and his wife, Marjorie, have two daughters, Sarah and Rachel.

For additional information, call Area Code 318 and ...

BIENVILLE 263-7400	BOSSIER 965-2326	CADDO 226-6805
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Basics of Basis

What Is *Basis*?

Basis is the amount of your invested money or the cost of your property such as timber or land. *Basis* is not the current value of your property.

To determine net taxable income, *basis* is subtracted from gross sale income. This subtraction is called *basis recovery* and can reduce taxes significantly. *Basis recovery* usually occurs when property is sold. But, *basis* can also be recovered when property is lost in a casualty, as in a fire or storm.

Land and timber are properties that can be bought and sold separately. Therefore, it will be to your advantage to set up different accounts for land and timber and keep separate records of *basis*. Internal Revenue Service (IRS) regulations also require landowners to keep separate land and timber accounts.

Inflation reduces the value of *basis* every year. To minimize this financial loss, you need to be aggressive in using *basis recovery*.

How is *Basis* Established?

The way you acquire property is important in establishing the initial value of *basis*. This acquisition determines your first entry for *basis* in the land account or the timber account.

You become a property owner one of four ways:

- (1) You purchase property.
- (2) You inherit property.
- (3) You receive property as a gift.
- (4) You plant trees on land you own or lease.

What Is the Initial *Basis* for Purchased Property?

When you buy timberland, the initial value of *basis* is equal to the purchase price. Include with the purchase price any legal, surveying, and consulting fees paid.

What Is the Initial *Basis* for Inherited Property?

Initial value of *basis* for inherited property is equal to the fair market value (FMV) at the time of your donor's death. If estate distribution is delayed, you may use instead the FMV on the date of your acquisition.

Most inherited land and timber property subject to estate taxes will receive a step-up in *basis* equal to FMV. But, this is not the case for a surviving spouse of jointly owned timberland. Only half of the property is assumed to be inherited, so only half of the FMV is initial *basis*.

An Appraisal is needed to establish the FMV of your land and timber. The most accurate appraisal occurs when you acquire the property.

Sometimes an appraisal is not made until the property is sold. In this case, a retroactive appraisal to establish *basis* is allowed by the IRS if it is done by a consulting forester. The FMV for the date when you inherited the property is estimated by projecting backwards the timber and land values. Any fees charged for a retroactive appraisal can be allocated to land and timber accounts.

What Is the Initial *Basis* for Property Received as a Gift?

Timberland given to heirs before death avoids estate taxes. Because of estate avoidance, your initial entry in *basis* will be the same as your donor's *basis* in the property.

To establish your donor's *basis*, you need to know how and when your donor acquired the property. If no records were kept, you may have to accept a *basis* of zero.

What Is the Initial *Basis* for Planted Trees?

If you establish your own trees, the initial value of *basis* is equal to reforestation costs and includes tree planting or seeding and site-preparation costs. There are some options when using reforestation costs.

One option is to keep reforestation basis in the timber account until the timber is sold. Another option, which is usually better, is the use of investment tax credit (ITC) and amortization. Reforestation costs of up to \$10,000 each year can qualify.

Visit Your State Parks

Each one of Louisiana's state parks was carefully chosen for its outstanding and excellent recreation potential. You can hike, fish, bike and enjoy birding and nature trails. Most state parks feature a waterfront location, campsites and picnic areas. Several have air-conditioned cabins and/or group camps which, like other buildings in the parks, were designed to reflect each park's cultural environment and ambiance.

Here's a list of the state parks in Louisiana:

Bayou Segnette State Park	Lake Bruin State Park
Chemin-A-Haut State Park	Lake Claiborne State Park
Chicot State Park	Lake D'Arbonne State Park
Cypremort Point State Park	Lake Fausse Pointe State Park
Fairview-Riverside State Park	North Toledo Bend State Park
Fontainebleau State Park	Poverty Point Reservoir State Park
Grand Isle State Park	St. Bernard State Park
Hodges Gardens State Park	Sam Houston Jones State Park
Jimmie Davis State Park	South Toledo Bend State Park
Lake Bistineau State Park	Tickfaw State Park

For more information, check out the website at <http://www.crt.state.la.us/parks/>.

Louisiana Tech Forestry Club Places Fifth at Conclave, Third in Technical Events¹

Fifteen members of Louisiana Tech University's Forestry Club participated in the 2008 Conclave, a forestry skills competition conducted by the Association of Southeastern Forestry Clubs (ASFC). The University of Florida hosted the ASFC Conclave March 6-8 at the Alachua County Fairgrounds in Gainesville. Forestry clubs from sixteen universities competed at Conclave: Alabama A&M University, University of Arkansas at Monticello, Auburn University, Clemson University, University of Florida, University of Georgia, Louisiana State University, Louisiana Tech University, University of Kentucky, Mississippi State University, North Carolina State University, Oklahoma State University, Stephen F. Austin State University, University of Tennessee, Texas A&M University and Virginia Polytechnic Institute (Virginia Tech).

Conclave competition is divided into Technical events and Physical events. Louisiana Tech placed third overall in Technical events. Denton Culpepper won 2nd place in Wood Technology, and took 5th place in Dendrology. Dustin Johnson won 2nd place in DBH (diameter at breast height) Estimation, and his wife Brandi Johnson placed 6th in Pole Classification. Four students placed 7th in Technical events: Charlie Edwards (Compass and Pacing), Justin Jacobs (Timber Estimation), and Reba McCoy and Sara Dean (Wildlife Identification). Josh McClain placed 11th in Photogrammetry.

Tech placed 6th in Physical events, which included Justin Jacob's First Place in Pole Felling. Justin also placed 3rd in Log Chopping. He and Danielle Creamean teamed up for 3rd place in Jack and Jill Crosscut Sawing. Rachel Dunn and Brandi Johnson placed 4th in Women's Crosscut Sawing, and Ben Holten took 6th place in Knife Throwing. Seventh place was taken by Jake Azbell and Scott Rhodes in Men's Crosscut Sawing, and Jacob Haring and Justin Jacobs in Log Rolling. Other events and the students competing were Women's Bow Saw (Michelle Gonzales), Axe Throw (Scott Rhodes), Men's Bow Saw (Dustin

¹ Article by Dr. William Patterson, Assistant Professor, Louisiana Tech School of Forestry

Johnson), Archery (Sara Dean), Chain Throw (Jake Azbell and Ben Holten), Pole Climbing (Charlie Edwards), and Log Birling (Charlie Edwards).

The ASFC awarded Louisiana Tech with a competition quality J. P. Mercier crosscut saw valued at \$1,700 for their improvement in sawing and competitive spirit.

Justin Jacobs Wins STIHL® TIMBERSPORTS® Southern Collegiate Challenge

On Thursday, March 6, the STIHL® TIMBERSPORTS® Southern Collegiate Challenge was held in conjunction with Conclave at Gainesville. Each university had one contestant who competed in Underhand/Horizontal Chop, Stihl Stock Saw, and Single Buck/Crosscut Saw. The event was covered by ESPNU, which will broadcast it in June, and by five articles on the ESPN TIMBERSPORTS website <http://sports.espn.go.com/outdoors/timbersports/>. Louisiana Tech's Justin Jacobs, a senior forestry major from Sterlington, was the overall winner of the competition, and has a place in the National Collegiate Challenge in Columbus, Georgia in June, and a chance for a berth in the professional STIHL® TIMBERSPORTS® series. A check for \$1,000 in Justin's name will be given to Louisiana Tech's Forestry Club. STIHL® TIMBERSPORTS® professionals Mike Slingerland and David Jewett were present throughout Conclave and worked with student competitors on their techniques. In addition, Stihl provided all 300 Conclave participants with all the caps and mugs they could carry off. The link to You Tube is <http://www.youtube.com/watch?v=B7GF1LePYj8>.

Carbon Credit Conference

May 14, 2008

C. Woodrow Dewitt Livestock Facility

Dean Lee Research Station and Extension Center, Alexandria, La.

Louisiana landowners, both agriculture and forestry, may now potentially benefit and receive income from the sale of carbon credits. This conference will help landowners, foresters, farmers and others gain a better understanding of the carbon market, how it works, and if they might benefit from carbon credits. Target audience is agricultural producers, agriculture consultants, forestry landowners, forestry consultants, natural resource management professionals, and other interested parties entering the emerging carbon trading market in Louisiana.

8:00 – 8:30 am	Registration
8:30 – 9:00 am	Introductions
9:00 – 9:30 am	“Roles of Louisiana Lands in the Emerging Environmental Services Markets: Carbon Trading” – Dr. Michael Blazier, Assistant Professor and Extension Specialist, Forestry, LSU AgCenter Hill Farm Research Station
9:30 – 10:00 am	“Environmental Implications of Carbon Cap and Trade” – Dr. Michael McDaniel, Professional in Residence, LSU Center for Energy Studies
10:00 – 10:30 am	Break
10:30 – 11:00 am	“Integrating Carbon Credit Trading into Forest Management” – Dr. Eric Taylor, Associate Professor and Extension Forestry Specialist, Texas A&M University
11:00 – 11:30 am	“Soil Quality – Managing, Measuring and Effects on Carbon Sequestration,” “Integrating Carbon Credit Trading into Agriculture” – Jerry Daigle, State Soil Scientist, USDA Natural Resources Conservation Service
11:30 – Noon	Question and Answer
Noon – 1:00 pm	Lunch (provided) - “Real World Examples of Carbon Credit Trading in Louisiana: Danny Wells, Associate Aggregator, Agragate, Sabine River Forestry Services
1:00 – 1:45 pm	Kurt Krueger, Carbon Verifier, Chicago Climate Exchange, Larson & McGowin, Inc.
1:45 – 2:30 pm	“Economic Forecast for Carbon Credit Trading” – David Miller, Chief Science Officer, Agragate
2:30 – 3:00 pm	Question and Answer
3:00 pm	Adjourn

Registration is \$35 which includes conference materials, lunch, and breaks. For more information contact Dr. Carrie Castille at ccastille@agcenter.lsu.edu or (225) 773-0972.

Sponsors:

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Events, Thoughts and Tidbits

***For applicants to qualify as candidates for the office of District Supervisor with the Bodcau Soil and Water Conservation District, the nominating period opened on April 1 and closes on April 30, 2008. Nomination Petitions can be obtained at the Bodcau SWCD Office at 200 Burt Blvd., Suite 101 in Benton from 8:00 a.m. – 4:30 p.m. Monday through Friday. For more information, call 965-2185, ext. 3. The election will be held June 14, 2008.

***You can find the USDA Forest Service Agriculture Handbook No. 718 entitled “Forest Landowners’ Guide to the Federal Income Tax” at this website [www.fs.fed.us/publications/2001/01jun19-Forest Tax Guide31201.pdf](http://www.fs.fed.us/publications/2001/01jun19-Forest_Tax_Guide31201.pdf). (Note: Those aren’t spaces after Forest and Tax – these are underscores.

***If you or your dog or other pet are sprayed by a skunk, here’s a remedy I picked up from a magazine article to eliminate the smell. Use a solution of one quart 3 percent Hydrogen Peroxide, one-half cup baking soda and one tablespoon of liquid dish soap on the clothes, dog or whatever was sprayed. This information actually came from skunk researchers. WHAT A FUN JOB!! According to these researchers, the old home remedy of tomato juice really doesn’t work.

***I suspect you are already aware of the Salvinia problem on our area lakes. As we continue to work toward a solution of managing this aquatic weed, there will be a Salvinia Awareness Day on June 7 at Earl Williamson Park on Caddo Lake. The park is located on Highway 1 in Oil City. Details for the event are still in the planning stages. For more information, contact Larry Raymond with Caddo Parish Parks at (318) 929-2806.

Sincerely,

Ricky Kilpatrick

Ricky Kilpatrick
Area Forestry Agent