

Rotating Article

For: Week of November 1, 2004

By: Jarek Nowak, Forestry Specialist,
University of Florida
John D. Atkins, Extension Agriculture/Livestock Agent,
Santa Rosa County Extension Service

Hurricane Timber Losses – Tax Write Offs and Salvage Operations

For tax purposes, the first thing all landowners should do in the aftermath of a hurricane is to document the catastrophic event and suffered timber losses. One way to do that is to save a copy of the local newspaper to document the hurricane itself, and take pictures to show the actual property damage **before** any cleanup or salvage operations begin. Timber losses from a hurricane or other natural disasters may be claimed as a “casualty loss” if there is no timber salvaged, or as an “involuntary conversion” if the timber is salvaged. The tax rules governing the applicability of “casualty loss” and “involuntary conversions” are complicated and the advice of a tax attorney, certified public accountant and/or consulting forester is usually necessary to arrive at the best course of action in any given individual situation. Your local forester can also provide official documentation of the quality and quantity of the timber lost.

Timber salvage is justified if the harvested material is merchantable, profits can offset any tax benefit, or outbreak of tree killing insects is likely. The merchantability of the damaged timber is limited for obvious reasons of diminished quality and internal wood tearing, which is not readily apparent. In addition, blue stain fungus causes further quality loss in timber harvested past the first 4-6 weeks after the storm. Even the health of standing trees is usually affected by high velocity winds coming from multiple directions during a hurricane or tornado. These winds stress and twist wood fiber and can adversely impact tree commercial value in the future.

If not salvaged, any young pines (30 feet and shorter) leaning 30 degrees or more will not recover. Young pine trees leaning 15 degrees or less should recover. Pines taller than 30 feet can have more lean than younger pines and still recover. However, for good stand prospects most trees should not lean more than 20 degrees. If the lean or wind show exposed or damaged roots, it is better the tree is removed. Most pine trees will die if their tops are completely broken off. If three (3) or more large limbs are left after the top breaks off, the tree may survive, but its growth will be adversely affected. Pine bark beetle outbreaks, which can kill remaining live pines, are more likely if dry conditions prevail in the Spring and early Summer after the hurricane season. High concentration of weakened trees and downed woody material over small area also increases chances of catastrophic insect outbreaks.

Conversely, if damaged and weakened timber is spread throughout larger area, the likelihood of large scale, insect-induced pine mortality will be less. Unlike pines, wind damaged hardwoods with a portion of the roots still attached to the ground may survive 6-12 months. However, the wood quality will begin to degrade much sooner than that. Limb breakage in hardwoods is not as serious a problem as in pines since most hardwoods sprout and can rebuild their crowns.

Table 1. Timing of timber salvage operations to prevent product degradation.

Product	Time to Harvest	Remarks
Pine and hardwood veneer, and appearance lumber	4-6 weeks	Blue stain prohibits use past first 4-6 weeks after storm
Pine framing lumber	3-4 months	Should be kiln dried to prevent emergence of secondary insects
Pine posts	4-6 weeks	Blue stain will affect strength and preservative treatment past 4-6 weeks
Pine poles and piling	Not recommended	
Pine and hardwood pulp, fiberboard, particle board and	8-12 months	As wood begins to decay, pulping process will be affected. Storm damaged wood

OSB		should be mixed with sound wood.
Pine and hardwood firewood	8-12 months	As wood dries out, the heat values increase prior to the decay process

Jarek Nowak is Forestry Specialist for the University of Florida. John Atkins is Agriculture/Livestock Agent for Santa Rosa County.

Extension Service programs are open to all people without regard to race, color, sex, age, handicap or national origin.