

BC Logging Tax

Logging Tax Act

Logging tax applies to you if you're an individual or corporation that generated revenue from logging on private or Crown land in BC, even if your expenses are greater than the revenue you received. This includes cutting down and removing logs on your own property then having someone else harvest or haul away the timber for you.

Do I Have to File?

You must complete and file the **Logging Tax Return of Income (FIN 542S)** if you:

- sold or acquired logs or standing timber
- sold or acquired the right to cut, or hired someone to cut or harvest standing timber or both
- salvaged logs with a timber mark
- transferred ownership of the logs to someone else and you had income from those logs
- delivered logs for export or imported logs
- conducted any other logging operations listed at gov.bc.ca/loggingtax

However, if you processed BC logs into or produced primary or secondary forest products (lumber, shakes, shingles, poles, pulp, paper etc.), you must complete and file the **Logging Tax Return of Income for Processors (FIN 542P)** instead.

You must file a return even if you:

- incurred losses
- didn't have any profits from logging, or
- made trade and barter arrangements for the logging conducted

You can file online or print the paper returns at gov.bc.ca/loggingtax.

When Do I File?

To avoid penalties and interest, file your tax return within six months of the end of the taxation year in which the logging operations occurred.

For example, if you cut down and sold or removed trees in May 2018 and your tax year end is December 31, 2018, you have to file a return and pay the tax by June 30, 2019.

How Much Tax Do I Need to Pay?

Logging income is generally gross revenue from logging less related operating expenses. You don't need to pay logging tax if you don't have income from the logs but you may still need to file.

If you had logging income, for each tax year, pay the lesser of the following amounts:

- 10% of your income from logging operations in BC
- 150% of the federal logging credit that would be allowable before political contributions and investment tax credits

For more details on how much tax you have to pay, go to gov.bc.ca/loggingtax.

When Do I Need to Pay?

If your logging tax for the previous tax year is less than \$2,000, you must pay your logging tax in full with your logging tax return.

If your logging tax for the previous tax year is \$2,000 or more, you must follow the instalment schedule. Insufficient instalments or late payments may incur interest. For more details on instalments, go to gov.bc.ca/loggingtax.

Claiming the Logging Tax Credit

The amount of logging tax you paid is usually fully deductible as a credit against your income taxes if you make a claim within the required time period. For information on how to claim the logging tax credit, contact the Canada Revenue Agency.



Need more info?

Income Taxation Branch

Online: gov.bc.ca/loggingtax

Victoria: 250 953-3082

Toll free in Canada: 1 877 387-3332

Email: ITBTaxQuestions@gov.bc.ca

Canada Revenue Agency

Online: <https://www.canada.ca/en/revenue-agency.html>

Toll free in Canada: 1 800 959-8281

The information in this information sheet is for your convenience and guidance only. It's not a replacement for the legislation.