

Sustainable Forest Incentive Act

The Sustainable Forest Incentive Act (SFIA) provides direct incentive payments to property owners to encourage sustainable use of forest lands.

Property owners can receive a payment for each acre of qualifying forest land they enroll in SFIA.

In return, they agree not to develop the land and to follow a forest management plan while they are in the program. All enrolled land must remain in SFIA for at least 8, 20, or 50 years depending on their recorded covenant (agreement) length. For information on forest management plans, visit the [Department of Natural Resources website](#).

Payment Rates

Payment amounts vary based on the length of your covenant and your total number of acres enrolled in SFIA. The payment rates are adjusted each year based on statewide average market values and tax rates, but will not increase or decrease by more than 10% per year. For land held in a conservation easement, see the note after the table. The 2023 payment rates are:

COVENANT LENGTH	PAYMENT RATE (PER ENROLLED ACRE)
8 years	Less than 1,920 acres enrolled: \$10.09 1,920 or more acres enrolled: \$13.98
20 years	Less than 1,920 acres enrolled: \$13.98 1,920 or more acres enrolled: \$17.86
50 years	Less than 1,920 acres enrolled: \$17.86 1,920 or more acres enrolled: \$21.74

For new applications in 2023 and land that is in a conservation easement, the payment is \$3.88 per acre.

Note: If your land was enrolled in SFIA in 2017 and also has a conservation easement, the payment rate is \$7.00 per acre and that land is limited to an 8-year covenant.

All payments received are treated as taxable income.

Qualifications

Qualifying properties **must**:

- Be current on property taxes
- Have 20 or more contiguous acres
- Be at least 50% forest land as defined in [Minnesota Statute 88.01, subdivision 7](#)
- Have a registered forest management plan in place
- Have a covenant in place limiting the property's use to forest management activities

Qualifying properties **cannot** be:

- Classified as 2c Managed Forest Land by the assessor or enrolled in:
 - Reinvest in Minnesota (RIM)
 - Conservation Reserve Enhancement Program (CREP)
 - Conservation Reserve Program (CRP)
 - Green Acres
 - Agricultural Preserves
 - Rural Preserves

- Used for residential or agricultural purposes
- Improved with a structure, pavement, sewer, campsite, billboards, cell towers or roads used for purposes that are not in the forest management plan
- Covered under a Lessard-Sams Outdoor Heritage Council easement or similar easement granted after May 30, 2013

How to Enroll

Before you apply, you must:

- [Obtain a Woodland Stewardship Plan](#) (also called a Forest Management Plan) and [register the plan with the Department of Natural Resources](#).
- Determine the covenant length. Covenants may be for 8, 20, or 50 years.
- Record your covenant with your County Recorder's Office.
 - [SFIA 8-Year Covenant](#)
 - [SFIA 20-Year Covenant](#)
 - [SFIA 50-Year Covenant](#)

When you apply, your [SFIA Application](#) must include:

- Current year's property tax statement for each parcel
- Registered Woodland Stewardship Plan number
- Recorded covenant with county stamp showing recorded date

Applications must be postmarked by October 31 and should be mailed to:

Minnesota Department of Revenue
 Mail Station 3340
 600 N. Robert St.
 St. Paul, MN 55146-3340

After Enrolling

To be in compliance with the SFIA program and receive payment, you must:

- Complete and return your certification form, including your Woodland Activity Annual Report, to Revenue by **July 1** each year. We mail these forms to enrolled property owners by May 15 each year.
- Keep your Woodland Stewardship Plan current and registered with the Department of Natural Resources. Plans are good for 10 years. To check on your plan's registration status, visit the [Department of Natural Resources](#).

Enrolling Additional Acres

To add acres to your existing SFIA enrolled acres, you must complete the entire application process for the new acres.

To add acres in a partially enrolled parcel of land, you must submit a new application for those acres. The covenant must be the same length as the existing covenant on the parcel. For example, if you previously enrolled part of a parcel in the SFIA program and entered into a 20-year covenant, any new acres **on the same parcel** must also be covered by a 20-year covenant.

Important Dates

When you enroll land in SFIA, keep these dates in mind.

May 15 Certification Forms and Woodland Activity Annual Reports are mailed to enrolled property owners.

July 1 Postmark date for returning Certification Forms and Woodland Activity Annual Reports to Revenue.

Oct. 1 Incentive payments are paid either by direct deposit or mailed to the landowner.

Oct. 31 Postmark date for completed applications to receive payments the next year.

Resources

- [Withdrawal Application](#)
- [SFIA Frequently Asked Questions](#)

Questions?

If you have questions about enrolling in SFIA, call 651-556-6088 or email proptax.sfia@state.mn.us



This fact sheet is intended to help you become more familiar with Minnesota tax laws and your rights and responsibilities under the laws. Nothing in this fact sheet supersedes, alters, or otherwise changes any provisions of the tax law, administrative rules, court decisions, or revenue notices.

Information pulled from the Minnesota Department of Revenue website – Last updated April 17, 2023

<https://www.revenue.state.mn.us/sustainable-forest-incentive-act>

Sustainable Forest Incentive Act Fact Sheet – Last updated by Pope County Assessor's office July 20, 2023