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Greetings;

Happy New Year! After some decent snow the last month it looks like we are headed into a dry patch. At least we are better off than some places. I was recently out in the Lake Tahoe area and they had had no snow for all of December. You can take a walk in the woods there which is almost unheard of in the Sierra Nevada in January. Sierra Nevada of course means snowy mountains in Spanish.

The New Year of course also means its tax time again. If you did any work on your Tree Farm in 2011 you may want to check with your tax advisor to see if there are any tax consequences related to work done.

It's possible that some of you sold products from your Tree Farm in 2011. Even with our depressed markets there are people selling saw logs, vigas, firewood, Christmas trees, or other products. Trees are considered an asset by the IRS so as with any asset they have a basis which is what the asset was worth when you acquired it. Of course, since trees grow, figuring out your gain on the sale can be a little complicated but suffice to say that whatever you receive from the sale of a wood product can be reduced by the amount the asset is worth.

No doubt some of you have done thinning or fuel reduction projects where you have received cost-share funds from different government sources. These cost-share funds generally are not taxable income unless you include them in your gross income. The amount you invest in the thinning work can be expensed or it can be added to your basis in the trees.

These are just a few things you may want to think about if you have done work on your Tree Farm or are considering having work done. If you do your own taxes and have questions we certainly aren't tax advisor but let us know and we may be able to steer you in the right direction.

Here's hoping for better markets for 2012!

Harry A. Morrison, Vice Chairman, NM Tree Farm Committee



**Message from Chairman:** I hope you had a Merry Christmas, a happy holiday season, and are looking forward to a prosperous New Year. Looking to the New Year, the first quarterly meeting of the NM Tree Farm committee will be on Wednesday 07 March at the USDA building in Albuquerque. I would like to see tree farmers attend and voice your opinions on where we should be going and how to get there. The committee has discussed several ideas for this year to include mini field days, management plan and inspector training workshops, and other outings. With the money we made hosting the ATFS national convention last year, we have some funds to pay your mileage. I understand not wanting to drive several hours for a two hour meeting, but the committee really needs your input and support. Additionally, we are still in need of a committee secretary. Our forester, Doug Boykin, has been doing the duty and he needs relief. It really is not an onerous task with four meetings and a couple of outings to record each year.

