

TIMBER HARVESTING IN VERMONT

Summary of Laws and Regulations

Resource Guide



About This Guide

This Reference Guide provides a summary of laws and regulations affecting timber harvesting businesses in Vermont. While it is primarily intended for loggers and foresters, there are others in forest industry who will find it helpful as well. The guide provides an overview of laws and regulations pertaining to timber harvesting, trucking, human health and safety, taxes and business management and insurance.

The work is not a comprehensive explanation of laws pertaining to logging in Vermont, and readers are cautioned to not use it as a complete and comprehensive representation of all pertinent laws and regulations that affect timber harvesting. Thus it should not take the place of other more detailed and specific sources, nor should it substitute for legal advice. Further explanations of laws, rules or regulations and how they might apply to a particular situation should be addressed by the appropriate governing authority (most of which are listed here), or with an opinion from an attorney.

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How to use this guide

Information has been broadly categorized into five chapters then subdivided by topic into sections. At the end of each section are listed pertinent publications, laws, forms, and contact information for those who need more information. Since rules and regulations are constantly changing, the 'contact' information at the end of each section may serve as a starting point. In fact, readers should automatically assume that the information outlined here is slightly outdated. For this reason, an opinion from the appropriate governing authority should precede commencement of any logging operations. When in doubt, always get an opinion from a knowledgeable source.

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Chapter 1

TIMBER HARVESTING

This chapter includes state laws, rules and regulations that any logger working in Vermont must know before conducting on-the-ground logging operations. Many of these laws and permit requirements pertain to the protection of water quality as mandated by the Federal Clean Water Act and Vermont's Water Quality Statutes. Also included are state laws pertaining to forest fire prevention, forest sustainability and land use. In all instances, the governing authority listed at the end of each section is the ultimate source of information.

Water Quality

Acceptable Management Practices

In 1986, the Vermont Legislature passed amendments to Vermont's Water Quality Statutes that declared: *"It is the policy of the state to seek over the long term to upgrade the quality of waters and to reduce existing risks to water quality."* The law requires permits for the discharge of, *"any waste, substance or material into the waters of the state."* Permits, however, are not required when an inadvertent discharge results from a logging operation if the Acceptable Management Practices (AMP's) are in place. The AMP's are intended and designed to prevent any mud, petroleum products and woody debris (logging slash) from entering waters of the state. They specifically address twenty-four suggested practices that loggers and landowners can use to protect water quality and prevent erosion, both during and immediately after logging.

Both landowner and logger can be held liable when a non-permitted discharge takes place if the AMP's have not been followed. Suspected violations of AMP's should be reported to the District Forestry Office (10 V.S.A. Chapter 47 § 1259 and 1275).

Publications: *Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont*, 2006, Vermont Department of Forests, Parks and Recreation, www.vtfpr.org/watershed/documents/Amp2006.pdf

Contact: Vermont Department of Forests, Parks and Recreation - Forestry Division, 802-241-3678, www.vtfpr.org

Logging in Wetlands

“Wetlands” include swamps, marshes, sloughs, potholes, floodplains, fens, beaver flowages, mud flats, and bogs. Depending upon their extent and significance, primarily for habitat, all wetlands are designated as *Class One*, *Class Two*, or *Class Three* according to the following scheme:

- **Class One** wetlands are considered exceptional or irreplaceable.
- **Class Two** wetlands are considered significant enough to be placed under protection.
- **Class Three** wetlands are those that have been determined to not be considered significant.

According to the Vermont Wetlands Rules, silvicultural activities are allowed provided the configuration of a wetland’s outlet, or the flow of water into and out of the wetland, is not altered, and that no draining, dredging, filling, or grading has occurred.

All silvicultural activities must:

- A. Comply with AMPs;
- B. Comply with silvicultural standards for deer wintering yards, established jointly by the Departments of Fish and Wildlife, and Forests, Parks and Recreation, especially when occurring in significant wetlands or adjacent buffer zones containing deer wintering yards mapped by the Fish and Wildlife Department;
- C. Restrict equipment maintenance and the storing or changing of oil, grease, or other petroleum products to log landings in areas outside of wetlands; and
- D. Restrict log landings to uplands or buffer zones except that landings not requiring the placement of fill may be located within the wetland, but only when the ground is frozen (10 V.S.A. Chapter 47 §1259).

Publications: *Vermont Wetlands Rules, Amendments adopted July 16, 2010; Effective August 1, 2010; Vermont Significant Wetland Inventory Maps*
<http://www.vtwaterquality.org/wetlands.htm>

Contact: Department of Environmental Conservation Wetlands Section, 802-338-4879, www.vtwaterquality.org/wetlands.htm

Stream Alteration General Permit

The Stream Alteration General Permit applies to projects which involve the fill or excavation of 10 cubic yards or more within the top-of-bank to top-of-bank, cross-sectional limits of perennial streams. The purpose of this general permit is to ensure that all stream alteration activities are regulated efficiently and effectively in accordance with the requirements of 10 V.S.A. Chapter 41. Certain exemptions apply and do not require coverage under this general permit. Accepted silvicultural practices as defined by the Commissioner of Forests, Parks and Recreation is an exemption to this general permit. Project exemption from coverage under this general permit does not relieve any person of the responsibility to comply with any and all other applicable federal, state, and local laws, regulations, and permits, and to obtain landowner permission if working on the lands of others

Publications: Stream Alteration General Permit effective date April 18, 2011. <http://www.vtwaterquality.org/rivers.htm>

Contact: Contact information and assigned geographic areas for Vermont Department of Environmental Conservation Stream Alteration Engineers can be found at: <http://www.vtwaterquality.org/rivers.htm>

Discharge Permits

Vermont law states: *“Any person who intends to discharge waste into the waters of the state or who intends to discharge into an injection well or who intends to discharge into any publicly owned treatment works any waste which interferes with, passes through without treatment, or is otherwise incompatible with that works or would have a substantial adverse effect on that works or on water quality shall make application to the secretary (Agency of Natural Resources) for a discharge permit.”* (10 V.S.A. Chapter 47 § 1263)

Although silvicultural activities are exempt from permit, there currently exists three Storm Water Permits that may be required for sawmills, timber storage facilities and garages. These permits include:

- Permit 3-9015, Impervious Surface Permit
- Permit 3-9020, Construction General Permit
- Permit 3-9003, Multi-Sector General Permit

Readers should check with the Vermont Department of Environmental Conservation Small Business Compliance Assistance Program to determine if an operation requires permit(s).

Contact: Vermont Department of Environmental Conservation Small Business Compliance Assistance Program- Business Compliance Specialist, 802- 241-3745, www.anr.state.vt.us/dec/ead/sbcap/index.htm

Rubbish and Garbage

According to Vermont State Statutes: *“No person shall discharge any waste, substance or material into waters of the state, nor shall any person discharge any waste, substance or material into an injection well or discharge into a publicly owned treatment works any waste which interferes with, passes through without treatment, or is otherwise incompatible with those works or would have a substantial adverse effect on those works or on water quality, without first obtaining a permit for that discharge from the secretary.”* (24 V.S.A. Chapter 61 § 2201) and (10 V.S.A. Chapter 47 § 1259)

Contact: Vermont Department of Forests, Parks and Recreation - Forestry Division, 802-241-3678, www.vtfpr.org

Fire Prevention

Slash Removal

The unmerchantable portions of trees (leaves, twigs and branches) are commonly referred to as 'slash.' As defined by Vermont law, slash is: *"The residue left on the ground after timber cutting or after a storm, fire, or other event. Slash includes unused logs, uprooted stumps, broken or uprooted stems, branches, bark, [and other debris]."*

According to statute:

- a. *A person may cut or cause to be cut forest growth only if all slash adjoining the right-of-way of any public highway, or the boundary lines of woodlots owned by adjoining property owners, is treated as follows:

 1. *All slash shall be removed for a distance of 50 feet from the right-of-way of any public highway or from the boundary lines of woodlots owned by adjoining property owners.*
 2. *All slash shall be removed for a distance of 100 feet from standing buildings on adjoining property.**
- b. *Owners or operators of timber or woodlots shall leave the main logging roads through cut-over areas free from slash so that tractors may pass over these roads unobstructed in order to carry men and supplies and firefighting equipment to fire suppression crews.*
- c. *If in the opinion of the town forest fire warden there is no fire hazard as a result of a cutting, he may issue, upon request, a statement relieving the operator of the conditions required in this section (10 V.S.A. Chapter 83 § 2648).*

Contact: Vermont Department of Forests, Parks and Recreation - Forestry Division, 802-241-3678, www.vtfpr.org

Forest Sustainability and Land Use

Act 250 - Logging above 2500 Feet Elevation

Vermont's land use law, known as 'Act 250,' requires a land use permit for any logging operation over 2,500 feet elevation. Permits are issued by the District Environmental Commissions. The Land Use Panel of the Natural Resources Board oversees the activities of the District Environmental Commissions. It also provides administrative support and enforcement of Act 250 permits, and conducts rulemaking related to the provisions of Act 250. The Agency of Natural Resources, Division of Regulatory Management and the Act 250 Review Board manages and coordinates staff review of all Act 250 applications, and it also provides comments to the District Environmental Commissions (10 V.S.A. Chapter 151 § 6001 and 6081).

Contact: Vermont Agency of Natural Resources - Regulatory Management and Act 250 Review, 802-241-3615, www.anr.state.vt.us/site/html/RMAR.htm

Natural Resources Board Act 250 District Environmental Commissions, 802-828-3309, www.nrb.state.vt.us

See appendix for District Office contact information.

Heavy Cutting

The Vermont Legislature passed in 1997, H.536 (Act 15) known as Vermont's "Heavy Cut" law to regulate heavy cutting/clear-cutting of forest lands. The Vermont Department of Forests, Parks and Recreation requires 'Intent to Cut Notification' if a landowner plans to heavily cut 40 or more acres in one treatment. The term "Heavy Cut" is defined as: "...a harvest leaving a residual stocking level of acceptable growing stock below the C-line, as defined by the United States Department of Agriculture silvicultural stocking guides for the applicable timber type." (10 V.S.A. Chapter 83 § 2625)

Intent to Cut Notification application forms are found on the web at - www.vtfpr.org/watershed/cutproc.pdf, or contact your nearest District Forestry Office.

Contact: Vermont Department of Forests, Parks and Recreation - Forestry Division, 802-241-3678, www.vtfpr.org

Chip Harvesting Requirements for Vermont Public Utilities

Wood-fueled electrical plants located in Vermont are required to obtain fuels from contractors that adhere to harvesting standards imposed by the Vermont Public Service Board. These same rules require forest owners who supply wood chips to these plants to obtain pre-harvest approval from the Vermont Department of Fish and Wildlife. The purpose of this approval process is to protect deer wintering areas, significant wetlands, and the habitats of rare, threatened or endangered species (30 V.S.A. Chapter 5 § 248).

Contact: Vermont Fish and Wildlife Department, 802-241-3700, www.vtfishandwildlife.com/index.cfm

Registration of Chip Harvesters

The Commissioner of Forests, Parks and Recreation may require the annual licensing and registration of portable sawmills, portable chip harvesters and any other portable forest product utilization systems. And the operator must comply with all requirements stipulated for the operation of such equipment (10 V.S.A. Chapter 83 § 2623).

Contact: Vermont Department of Forests, Parks and Recreation - Forestry Division, 802-241-3678, www.vtfpr.org

Timber Trespass

A new timber trespass law (Act 147) came into effect on July 1, 2010. The new law provides that a person who unlawfully cuts trees may be assessed a civil penalty. The amount of the civil penalty is based on the diameter of a tree or trees that are unlawfully cut, felled, destroyed, or substantially damaged. It requires a landowner who authorizes a timber harvest to clearly and accurately mark the harvest unit before the harvest begins and assigns a civil penalty of not less than \$250.00 and not more than \$1,000.00 to any landowner whose failure to clearly and accurately mark a harvest unit results in the unlawful cutting of trees. The act exempts under certain conditions the agency of transportation, municipalities, authorized harvesters, railroads, and surveyors from penalties or liability for the unlawful cutting of trees. It clarifies that a person injured by the unlawful cutting of trees may recover the greater of treble damages or the civil penalty for each tree. It allows a cause of action for damages to be brought against a landowner whose failure to clearly and accurately

mark the timber harvest results in damages to the property of another person. Finally, the act provides that the unlawful cutting of trees and the improper marking of harvest units is a judicial bureau offense (13 V.S.A. Chapter 13 § 3601 – 3604).

Contact: Vermont Department of Forests, Parks and Recreation - Forestry Division, 802-241-3678, *www.vtfpr.org*

Chapter 2

TRUCKING

There are numerous permits, limitations and requirements that affect trucking in Vermont. Failure to comply with these rules may result in fines and/or penalties. The Vermont Department of Motor Vehicles (DMV) is responsible for the enforcement of these regulations. The various DMV divisions are listed at the end of each section for readers that require clarification or further information.

Permits

Highway Permits

According to Vermont statutes: “A Highway Permit must be obtained from the Vermont Agency of Transportation before doing any work within the state highway right-of-way or doing work on adjacent property that will affect drainage reaching the state highway right-of-way” (Highway Permit Application Information, 2008). A complete application is required for forest land access and for the construction or improvement of driveways that affect existing state rights-of-way.

Municipalities may also require ‘curb cut permits’ if an existing curb must be cut to allow entry onto a town road. It is always prudent for logging contractors to assume that highway access will require a permit. Always check with the town clerk or town road commissioner to ensure a correct interpretation of all local highway regulations.

Forms: *Highway Permit Form TA-210*, Vermont Agency of Transportation

Contact: Vermont Agency of Transportation - Utilities and Permits Unit
1-802-828-1222, www.aot.state.vt.us/default.asp

Local town clerk or town road commissioner

Oversize Vehicle Permits

A person or corporation wanting to operate a vehicle in excess of the weight and size limits described below must submit an application for an 'oversize vehicle permit'. Such application is directed to the commissioner of motor vehicles. The permit is not issued until proof of registration is provided and all fees are paid. Fees vary depending on vehicle size and number of trips. For the complete list of fee amounts and other information, refer to: 23 V.S.A. Chapter 13 § 1400-1402.

Contact: Vermont Department of Motor Vehicles - Oversize and Overweight Permits Division, 1-802-828-2064

Size Limits

Height and Width Limits

Vermont Motor Vehicles Laws specify all rules and requirements that apply to vehicle size. No motor vehicle can exceed the dimensions of 8.5 feet wide and 13.5 feet high (23 V.S.A. Chapter 13 § 1431).

Contact: Vermont Department of Motor Vehicles - Commercial Vehicle Enforcement Section, 1-802-828-2078

www.dmv.state.vt.us/ENFORCEMENT/ENFORCEMENTOverview.htm

Length Limits

A motor vehicle cannot exceed 46 feet in length. If that vehicle is also pulling a trailer, the distance between the kingpin of the trailer and the center of the rearmost axle cannot exceed a total of 43 feet.

The state of Vermont has established a designated network of truck roads. Length requirements change depending on whether the truck is 'in' or 'out' of the network. To obtain a complete list of roads within the truck network, please see: V.S.A. Title 23, Chapter 13, Section 1432, Subsection (c); or visit- www.aot.state.vt.us/DMV/documents/MiscellaneousDocuments/TruckNetworkMap.pdf for a map of Vermont's trucking network.

If the overall length of a vehicle plus trailer does not exceed 72 feet, it is allowed to operate within the trucking network without permit. Those units that do not exceed 68 feet can operate on any road without a permit. For units that exceed these length limits, special permits are available. (23 V.S.A. Chapter 13 § 1432)

Form: *Excess Length Permit Application*

Available online at:

www.dmv.state.vt.us/documents/TA/OSD/OSD001ExcessLength.pdf

Contact: Vermont Department of Motor Vehicles - Commercial Vehicle Enforcement Section, 1-802-828-2078

www.dmv.state.vt.us/ENFORCEMENT/ENFORCEMENTOverview.htm

Vermont Department of Motor Vehicles - Oversize and Overweight Permits Division, 1-802-828-2064

Commissioner of Motor Vehicles, 1-802-828-2011

Weight Limits

In Vermont, trucks are limited to a maximum 600 pounds per inch of tire width. For example, a tire with a 10-inch width may carry no more than 6,000 pounds. A truck with 12 of these tires may carry no more than 72,000 pounds.

No vehicle may exceed the gross loaded weight of 80,000 pounds for both interstate and state highways. However, a permit may be obtained for a 5-axle truck at 90,000 pounds and a 6-axle truck at 99,000 pounds.

On state highways, no single axle load can exceed 22,400 pounds. No tandem axle load can exceed 36,000 pounds.

On interstate highways, no single axle load can exceed 20,000 pounds, and no tandem axle load can exceed 34,000 pounds.

On Vermont town highways, there is a limit of 24,000 pounds. A town permit is required by law for anything exceeding this limit.

There are other factors to consider when determining maximum gross weight, especially factors having to do with bridge construction. For a complete set of all weight regulations, contact the Vermont Department of Motor Vehicles (23 V.S.A. Chapter 13 § 1392).

Special permits are available if overall vehicle weight is greater than the designated weights allowed.

Form: *Excess Weight/Dimension Permit Application*

Available online at www.dmv.state.vt.us/documents/TA/VX/TAVX002.pdf

Contact: Vermont Department of Motor Vehicles - Commercial Vehicle Enforcement Section, 1-802-828-2078

www.dmv.state.vt.us/ENFORCEMENT/ENFORCEMENTOverview.htm

Safety

Brake Requirements

Motor vehicles must have brakes on all wheels, and both hydraulic and manual means of deployment, such as a parking brake. Trailers weighing between 3,000 and 6,000 pounds gross weight must also have brakes on all the wheels of at least one axle. For weights in excess of 6,000 lbs., every wheel on all axles must have brakes. All trailers must have emergency brakes that deploy automatically during an accidental break-away from the towing vehicle. For specific guidelines on emergency brakes, please review: 23 V.S.A. Chapter 13 § 1307.

Contact: Vermont Department of Motor Vehicles - Commercial Vehicle Enforcement Section, 1-802-828-2078

www.dmv.state.vt.us/ENFORCEMENT/ENFORCEMENTOverview.htm

Securing Loads

A load of logs or wood products must be securely fastened to the vehicle. Each tier up to a maximum of five feet must be fastened with one binding of adequate strength (the statute requires bindings to have a working load limit of 2,750 lbs. as certified by the manufacturer). A taller load up to 10 feet requires two such bindings, and all loads in excess of 10 feet must be secured with three bindings. All loose ends of bindings must be secured so as to not endanger other vehicles on the highway.

When loads are transported in a box-type trailer with solid sides, the above rules on binding do not apply, provided the trailer is not loaded higher than its side-boards. (23 V.S.A. Chapter 13 § 1452)

Contact: Vermont Department of Motor Vehicles - Commercial Vehicle Enforcement Section, 1-802-828-2078

www.dmv.state.vt.us/ENFORCEMENT/ENFORCEMENTOverview.htm

Local Regulations

On all highways in villages, towns and cities, the legal load size is the same as on state highways, unless there are restrictions posted by local authorities. Municipalities may request weight limits that are less than state highway limits, if there is a reasonable alternative route around the town. Before traveling town roads, contact the local municipality to find out if there are truck ordinances or regulations related to the operation of overweight vehicles (23 V.S.A. Chapter 13 § 1393).

Contact: Vermont Department of Motor Vehicles

1-802-828-2000, www.aot.state.vt.us/DMV

Local town clerk or town road commissioner

Chapter 3

HUMAN HEALTH AND SAFETY

Federal and state standards have been set to ensure the safety of logging industry workers. Information has been provided to reduce the risk of injury and/or legal consequence. Hazardous material requirements for shops and garages are included. Careful consideration of these standards and requirements is recommended before the commencement of any logging operation. Please contact the listed authority for questions or further explanation.

Labor Standards

Federal Fair Labor Standards

The Fair Labor Standards Act (1938) establishes minimum wages, minimum overtime pay rates, recordkeeping standards, and child labor rules for all full-time and part-time employees. Due to occupational hazards, people under the age of 18 are not allowed to work in most jobs in the logging industry.

In July, 2008 the federal minimum wage was set at \$6.55 per hour and is scheduled to increase to \$7.25 per hour, effective July, 2009. **But, as of January 1, 2011 Vermont's minimum wage is \$8.15 per hour and this figure overrides the federal minimum wage.**

Finally, under federal rules, a pay rate of no less than one and one-half times the regular rate of pay is required for any employee who works more than 40 hours in a workweek. Since both federal and state rules regarding minimum wage change frequently, always check with the Vermont Department of Labor.

Laws: Fair Labor Standards Act of 1938 (amended)

Contact: U.S. Department of Labor - Employee Standards Administration

1-866-4-USA-DOL (1-866-487-2365), www.dol.gov/esa

Worker Safety Standards

Worker Safety and Health- VOSHA

The mission of the Vermont Occupational Safety and Health Administration (VOSHA) is to protect the health and safety of our workers. VOSHA is comprised of two different sections: 1) Enforcement, that ensures Federal standards set by the Occupational Safety and Health Administration (OSHA), are met by employers; and 2) Project WorkSAFE, that offers employers assistance – at no charge – to help them meet current standards. For more information on Project WorkSAFE, call the Vermont Department of Labor-Safety and Health Consultation at 1-888-SAFE-YES (1-888-723-3937).

Employer and employee rights and responsibilities related to safety and health are documented in the booklet listed below. As of 2008, the cost of the publication is \$20 and can be ordered through the Vermont Department of Labor.

Publications: *“VOSHA Safety and Health Standards for General Industry”*, updated annually, VOSHA 802- 828-2765

Contact: Vermont Department of Labor
1-802-828-4000, www.labor.vermont.gov

OSHA Logging Safety Standards

OSHA has promulgated rules and regulations intended to reduce risk and to increase safety during logging operations. These rules address, but are not limited to, the following areas:

- Personal protective equipment
- First aid kits
- Fire extinguishers
- Environmental conditions
- Work areas
- Signaling
- Electric lines
- Flammable liquids
- Explosives
- Portable power tools
- Machine requirements
- Vehicles
- Tree harvesting
- Training

When an on-site inspection determines that regulations are not being followed, employers may be subject to fines depending on the severity of infractions. Noncompliance will result in increased penalties and may lead to the termination of a business. Please refer to the OSHA Logging Operations Regulations for a comprehensive review of OSHA's rule for safe logging. An electronic version is located at the web site listed below.

Publications: *The Logger's Guide to the New OSHA Logging Safety Standards*, 1995, Forest Resources Association INC., www.osha.gov/pls/oshaweb/owadisp.show_document?p_id=1527&p_table=DIRECTIVES

Contact: U.S. Department of Labor - Employee Standards Administration,
1-866-4-USA-DOL (1-866-487-2365), www.dol.gov/esa

Vermont Department of Labor
1-802-828-4000, www.labor.vermont.gov

Noise Regulations

OSHA's Hearing Conservation Program requires employers to monitor noise exposure levels at or above 85 decibels (dB) during an 8-hour workday. When noise levels rise above permissible levels, the employer must provide workers with protective equipment and offer free hearing exams on a regular basis.

For the sake of reference, the average noise level of selected logging equipment is as follows:

- Working Chainsaw- 110 dB
- Skidder under load- 95 dB
- Knuckle boom loader- 85 dB

Publications: *Safety and Health Standards for General Industry*, 29 CFR, Part Number 1910, Standard Number 1910.95; OSHA
www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9696

Contact: Vermont Department of Labor,
1-802-828-4000, www.labor.vermont.gov

National Timber Harvesting and Transportation and Safety Foundation
www.loggingsafety.com

Hazardous Material

Shop and Garage Practices

Hazardous Material Management

Logging operations most commonly produce Vermont-listed wastes ("VT" wastes); typically oily wastes, hydraulic fluids, fuels, contaminated debris, and wood preserving wastes. All 'waste generating operations' are required to file a "Vermont Hazardous Waste Handler Site ID" form with the Vermont Hazardous Waste Management Program. The purpose of the form is to determine the generator status, which is either a 'Conditionally Exempt Generator,' or a 'Small Quantity Generator,' or a 'Large Quantity Generator.' Each waste generator is then assigned an EPA identification number that is required to dispose of wastes at a local Solid Waste District facility. There is no charge for the application and once a company is on file, it is in the agency's outreach database and is automatically notified of all upcoming environmental compliance workshops.

Oily Wastes

Oily wastes such as soaked absorbent pads, kitty litter, saw dust, floor sweepings, or oil soaked soil are considered 'hazardous materials' if they contain petroleum distillates to the extent of 5 percent or more by weight. Most all oily debris easily exceeds this guideline and thus must be stored and disposed of in accordance with hazardous material management regulations.

Waste Storage

Vermont-listed hazardous wastes must be stored in an adequate container and protected from the elements. The container must be kept closed and situated on an impervious surface (such as concrete) and protected from freezing. Allowable storage times vary depending on the generator's status. If there are any doubts about disposal, handling and storage of hazardous wastes, contact the local Solid Waste District. Local landfill operators will know how to contact the appropriate district office.

Used Oil

Used oil is any petroleum product refined from crude or synthetic oil that has been contaminated as a result of use. Rules for storage of used oil are the same as for storage of hazardous material (see 'Waste Storage' above). Containers must be labeled "Used Oil" and may be disposed of by:

- Sending it off-site to be blended and burned for energy or refined as a lubricant.
- Reusing it as a lubricant.
- Burning it on site in manufactured used oil space heating equipment.
- Giving it away or selling it as fuel.
- Depositing it at a local solid waste/hazardous waste collection program.

Spill Response

The following steps must be taken for any hazardous material spill over 2 gallons or ANY spill that poses a threat to human health or the environment (for example: one gallon of gasoline spilled in a wetland). For small spills that can be safely managed without assistance:

- Stop the spill at its source.
- Prevent the spill from entering storm drains, waterways, drainage ditches, etc.
- Contain the spill using a barrier.

FOR ALL SPILLS:

- Report the spill by calling the **24 hour Hazardous Material Spill Hotline: 1-800-641-5005**.
- Ensure the spill is cleaned so that it no longer poses a threat to human health or the environment.
- Determine whether spill cleanup materials are hazardous waste.
- Ensure all contaminated material is collected and managed appropriately.
- Submit a written follow up report within 10 days detailing how the spill was cleaned and how the waste was managed.

SPCC Regulations

The Spill Prevention Control and Countermeasure (SPCC) regulations are intended to prevent oil from entering waterways. Businesses with above-ground oil storage capacity over 1,320 gallons, or those with underground oil storage capacity over 42,000 gallons, or operations that have a potential for discharges to reach waterways, are required to have an SPCC Plan in place. The plan must address the following in a very specific format:

- Operating procedures to prevent oil spills.
- Control measures to prevent a spill from reaching waterways.
- Countermeasures to contain, cleanup, and mitigate the effects of an oil spill that reaches a waterway.

Those facilities with less than 10,000 gallons of fuel and other lubricants on-site may develop their own plan format and write and self-certify their SPCC Plans.

Publications: *Conditionally Exempt Generator Handbook*, 2005, Vermont Agency of Natural Resources Waste Management Division, www.anr.state.vt.us/dec/wastediv/rcra/pubs/CEG_Hndbk.pdf

Environmental Fact Sheets; Oily Wastes, Accumulation and Storage of Hazardous Material, Used Oil, Hazardous Material Spill Response, 2006, Vermont Department of Environmental Conservation, www.anr.state.vt.us/dec/ead/sbcap/resources.htm

Contact: Vermont Agency of Natural Resources - Environmental Assistance Office (non-regulatory, confidential, voluntary)
1-800-974-9559, www.eaovt.org

24 hour Hazardous Material Spill Hotline, 1-800-641-5005

For detailed information on the SPCC requirements please visit the State's web site: www.anr.state.vt.us/dec/ead/sbcap/spcc.htm

Chapter 4

TAXES

There are many federal and state tax requirements pertinent to Vermont's logging industry. Business and landowners should know this information before taking part in business transactions, hiring employees or harvesting timber. Appropriate forms and publications are discussed here to assure compliance with these tax laws. Please contact the suggested agencies or seek the advice of an attorney or certified public accountant for assistance.

Federal Tax Information**Federal Income Tax**

Sole proprietorships, partnerships and corporate entities must file taxes annually. The IRS now offers electronic filing for many of its forms. All forms are available at the IRS website listed below.

Tax Forms:

- Sole Proprietorship: Federal Income Tax Form Schedule C *Profit or Loss* (Form 1040) or C-EZ *Net Profit from Business* (Form 1040)
- Partnerships: Federal Form 1065 *US Return of Partnership Income*
- Corporate Entities: Federal Form 1120 *US Corporation Income Tax Return*. **Note:** A small business can form a sub-chapter 'S' corporation that allows profits and losses to be passed directly to share-holders who then report on their own returns. Doing so avoids double taxation (paying a corporate tax then share-holders getting taxed again on dividends that are paid out). If approved as an "S" Corporation, file Federal Form 1120S *US Corporation Income Tax Return for an S Corporation*.
- A variation of the S-corporation for family-owned businesses is the 'closely-held S corporation' that allows that same 'pass-through' tax benefits.

Contact: US Internal Revenue Service,
1-800-829-1040, www.irs.gov

Federal Income Tax Withholding

It is the employer's responsibility to withhold a portion of each employee's wages and pay to the IRS on behalf of the employee. Each employee is required to fill out a W-4 Form to claim his/her exemptions. Employers deposit withheld taxes on a regular basis, then deposit them with IRS using the Electronic Federal Tax Payment System (EFTPS), or by mailing, or by delivering a check, money order, or cash with a Form 8109 (Federal Tax Deposit Coupon) to a financial institution that is an authorized depository for federal taxes. Qualifying employers may make a payment with Form 941 or Form 944 instead of depositing as described above (see IRS Publication 15, *Employers Tax Guide* for information).

Publications: *Employers Tax Guide*, 2008, IRS Publication 15
www.irs.gov/pub/irs-pdf/p15.pdf

Tax Guide for Small Businesses, 2007, IRS Publication 334
www.irs.gov/pub/irs-pdf/p334.pdf

Tax Forms:

- W-4, *Employee's Withholding Allowance Certificate*
- IRS Form 941, *Employer's Quarterly Federal Tax Return*
- IRS Form 944, *Employer's Annual Federal Tax Return*
- Form 8109, *Federal Tax Deposit Coupon*

Contact: US Internal Revenue Service,
1-800-829-1040, www.irs.gov

Electronic Federal Tax Payment System (EFTPS), 1-800-555-4477

Information Returns

The IRS requires that businesses file an Information Return Tax Document for certain types of business transactions. Any person, corporation, partnership, estate, or trust, who makes reportable transactions during the calendar year, must also file Information Returns to report those transactions. The majority of the required forms are variations of IRS Form 1099 (intended to keep track of cash transactions). For a list of forms, reportable transactions and directions, visit the IRS website www.irs.gov/efile/article/0,,id=98114,00.html

Contact: US Internal Revenue Service,
1-800-829-1040, www.irs.gov

Timber Taxation

Under most circumstances, income from the sale of timber is treated as a long-term capital gain and taxed at significantly lower rates than ordinary income. To qualify, the contract must demonstrate that the sale of timber is actually a sale of an interest in land (and the timber must have been owned for at least a year). Standing timber is afforded capital gains status, but once timber hits the ground it becomes an ordinary asset and is taxed accordingly. Generally, ‘lump-sum’ sale contracts and ‘mill-tally’ contracts demonstrate that the owner has sold an interest in land and so timber is a capital asset and taxed as such. ‘Consignment sales,’ however, may not qualify as capital transactions. In a consignment sale, also known as ‘a sale on the basis of shares,’ the woodland owner agrees to accept a share of the proceeds a logger is paid for delivered logs, commonly 30 percent. Since the owner’s income is based on log sales and not on the conversion of timber into logs, it may be treated as ordinary income and taxed at higher rates (and may also be subject to self-employment tax whereas income from the sale of capital is never taxed for Social Security contributions).

Publications: For more information on timber tax matters, including access to: *Forest Landowner’s Guide to the Federal Income Tax* (2001 – Ag. Handbook No. 718), visit: www.timbertax.org

For more information on timber sale types and contract form that guarantees capital gains treatment, see: McEvoy, T.J. 2005. *Owning and Managing Forests – A Guide to Legal, Financial and Practical Matters*. Island Press, Washington DC. 266p.

Social Security

The US Federal Insurance Contribution Act (FICA) requires all employees to pay a portion of their income into the Social Security Trust Fund. This portion of payroll taxes is sometimes called “FICA taxes”. Employers are required to match the withheld amounts. Deposits of the FICA tax are handled in the same way as Federal Income Tax Withholding; by using the Electronic Federal Tax Payment System (EFTPS) or by mailing or delivering a check, money order, or cash with Form 8109, Federal Tax Deposit Coupon, to a financial institution that is an authorized depository for federal taxes.

Qualifying employers may make a payment with Form 941 or Form 944 instead of depositing (see IRS Publication 15, *Employers Tax Guide* for information).

Publication: *Employers Tax Guide*, 2008, IRS Publication 15
www.irs.gov/pub/irs-pdf/p15.pdf

Tax Forms:

- IRS Form 941, *Employer's Quarterly Federal Tax Return*
- IRS Form 944, *Employer's Annual Federal Tax Return*
- Form 8109, *Federal Tax Deposit Coupon*

Contact: US Internal Revenue Service,
1-800-829-1040 , www.irs.gov

Electronic Federal Tax Payment System (EFTPS), 1-800-555-4477

Vermont Tax Information

Vermont Income Tax Withholding

Vermont businesses must register for income tax withholding if:

- Wages are paid to employees living in Vermont.
- Wages are paid to employees who perform services in Vermont but do not live here.
- There are payments subject to Federal income tax withholding.

Payments to bonafide independent contractors are exempt from both Federal and Vermont income tax withholding. Generally, the state follows federal guidelines to determine if a worker is an employee or an independent contractor. According to Federal guidelines: "The general rule is that an individual is an independent contractor only if the person for whom services are performed has the right to control or direct only the result of the work and not the means and methods of accomplishing the result."

(www.irs.gov/businesses/small/article/0,,id=179115,00.html).

Every registered business in Vermont must file Vermont withholding tax returns (Form WH-431) on a quarterly or monthly basis.

Businesses must also file an annual reconciliation return (Form VH-434) that summarizes the withholdings for the calendar year. Vermont accepts IRS Form W-4 as a record of the number of exemptions reported by an employee.

Publication: *Guide to Vermont Business Taxes, 2007*, Vermont Department of Taxes, www.state.vt.us/tax/pdf.word.excel/business/guidetobustaxes.pdf

Tax Forms:

- IRS Federal Form W-4
- Vermont Form WH-431 (not available on-line, call 1-802-828-2551)
- Vermont Form VH-434 (not available on-line, call 1-802-828-2551)

Contact: US Internal Revenue Service, 1-800-829-1040, www.irs.gov

Vermont Department of Taxes, 1-802-828-2551, www.state.vt.us/tax/index.shtml

Vermont Income Tax Returns

Sole proprietorships, corporations, LP/LLCs and partnerships must file Vermont income tax returns annually. Some, but not all, forms are available at the Vermont Department of Taxes website. Check www.state.vt.us/tax/index.shtml for details.

Tax Forms:

- Sole proprietorship: Vermont State Income Tax Form IN-111 with Federal Schedule C attached
- Partnership Entity: Vermont State Form BI-473
- Partners: Vermont State Income Tax Form IN-111
- Corporate Entity: Vermont Corporate Income Tax Form CO-411; use for regular and “S” Corporations. Corporations with liabilities over \$500 also fill out form CO-414.

Contact: Vermont Department of Taxes, 1-802-828-2551, www.state.vt.us/tax/index.shtml

Vermont Corporate and Business Entity Income Taxes

The corporate income tax is based on income allocated or apportioned to Vermont. A \$250 minimum tax applies to all active Corporations; with the exception of Small Farm Corporations that pay a minimum tax of \$75.

The business entity income tax applies to S-Corporations, Partnerships, and Limited Liability Companies that elect to be taxed as partnerships or S-Corporations. The Business Entity Income Tax is usually \$250. A business entity must also make estimated income tax payments on behalf of its non-Vermont resident shareholders, members or partners for income attributable to Vermont. The entity uses VT Form WH-435 to make the non-Vermont resident payments.

Contact: Vermont Department of Taxes,
1-802-828-2551, www.state.vt.us/tax/index.shtml

Vermont Business Tax Account Number

Any business selling items subject to Vermont Sales and Use Tax is assigned a Vermont Business Tax Account Number when Vermont Form S-1 is completed and submitted to the Vermont Department of Taxes. This number is different from a license or certificate and is used for tax purposes only.

Tax Forms: Vermont Form S-1, *Application for Vermont Business Tax Account Number*

Contact: Vermont Department of Taxes,
1-802-828-2551, www.state.vt.us/tax/index.shtml

Vermont Sales and Use Tax

Sales tax is generally collected by the seller and then remitted to the state on behalf of the consumer. The rate is based on the total sales price including cash, credit, property, and services for which personal property or services are sold, leased or rented.

The Vermont Use Tax is required to be paid by the buyer of property purchased outside the state but used in Vermont. The rate is the same as the Sales Tax. It only applies when a Sales Tax was not paid anywhere else and the sale would have been taxable in Vermont; this is to avoid double taxation. Vermont law defines “use” as property that is received, stored, operated, or consumed in Vermont.

There are a number of exemptions from Vermont Sales and Uses Taxes. Those relevant to logging include, “Property that becomes a part of a manufactured product for sale or is used up in the process of manufacturing property for sale (e.g. sawlogs, veneer logs and pulpwood)”. As well as, “machinery and equipment used directly and exclusively in the manufacture of property for sale” (See Regulation 1.9741(14)). For a full list of exemptions and for further information please refer to the Vermont Department of Taxes publication *Guide to Vermont Business Taxes*.

Publication: *Guide to Vermont Business Taxes*, 2007, Vermont Department of Taxes, www.state.vt.us/tax/pdf.word.excel/business/guidetobustaxes.pdf

Contact: Vermont Department of Taxes,
1-802-828-2551, www.state.vt.us/tax/index.shtml

Landowner Tax Information

Use Value Appraisal

The Use Value Appraisal program was designed to have working forest and farm land appraised at a rate that reflects its current use, not its speculative potential as a site for development. The key to this program is that the land is “working land” unless it is owned by a land conservation nonprofit organization. Landowners enrolled in the program are taxed at a current use rate less than fair market value. Eligible forest land must be at least 25 acres, managed to state standards and have an approved forest management plan. Participation in this program also requires allowing the state to put a development lien on the enrolled property. Forest lands less than one mile from a road are appraised at a higher rate than lands located more than one mile from a road. As of 2008 the application fee was \$38 (32 V.S.A. Chapter 124 § 3753-3757).

Forms: *Current Use Application*

Available online at

www.state.vt.us/tax/pdf.word.excel/forms/pvr/lu-afcfb.pdf

Contact: For questions regarding tax issues or for information about enrolling forestland into this program contact:

Vermont Department of Taxes - Property Valuation and Review
Tel: 802-828-5860 Fax: 802-828-2824

OR

Vermont Department of Taxes - Current Land Use Program
Tel: 802-828-5861 Fax: 802-828-2824

For information regarding forest practices on lands already enrolled in the program contact your local county forester. (See Appendix)

Land Gains Tax and Timber Sales

In an attempt to curb land speculation, Vermont incorporated the land gains tax in 1973. Land gains tax imposes a very high tax rate on any profits made from selling land within six years of the original purchase date. The tax may be as high as 80% and as low as 5% depending upon how long the land was held prior to the sale. The

selling of timber or timber rights is not subject to the land gains tax unless the property consists of 300 or more acres. Gains from timber sales on lands of 300 or more acres will be covered by the land gains tax and will be counted into the land gains tax calculation if land is sold within six years of the purchase date. (32 V.S.A. Chapter 236 § 10001-10011)

Publication: *A Special Report on Vermont Real Estate Taxes, 2006*, Vermont Real Estate Today www.vermontrealestatetoday.com/newsletter/vtrealestatetaxes.html

Contact: Vermont Department of Taxes Land Gains Tax
Tel: 802-828-2550 Fax: 802-828-2824

Highway Vehicle Use Tax

A truck or truck tractor is subject to the highway vehicle use tax if it:

- Is a highway motor vehicle moved by its own motor and designed to transport a load over public highways.
- Is registered, or required to be registered, for highway use.
- Is used on a public highway.
- Has a taxable gross weight of at least 55,000 pounds (this is the weight of the vehicle, trailers and semi-trailers, and maximum load typically carried by each).

The tax applies to the first use of a vehicle on a public highway. IRS Form 2290 must be filed by the last day of the month following the first use. For example, if the vehicle is first used in July, the tax must be paid by August 31. The rate of the tax depends upon the size of the vehicle. Vehicles used for hauling logs and meeting the minimum gross weight of 55,000 pounds are currently taxed \$75. The current maximum rate is \$412.50 for vehicles weighing 75,000 pounds and over.

Tax Form: IRS Form 2290, *Heavy Highway Vehicle Use Tax Return*
Available at www.irs.gov/pub/irs-pdf/f2290.pdf

Publication: *Excise Taxes For 2006*, IRS Publication 510
www.irs.gov/publications/p510/index.html

Contact: US Internal Revenue Service, 1-800-829-1040, www.irs.gov
Vermont Department of Motor Vehicles 1-802-828-2064

Chapter 5

BUSINESS MANAGEMENT & INSURANCE

Business owners are ultimately responsible for statutes that pertain to operating in Vermont. There are federal and state laws that businesses must follow. Failure to understand and comply with laws and regulations may result in civil and criminal actions that are often costly. Please contact authorities listed at the end of each section with questions or for further information.

Federal Business Requirements

Required Records

The IRS requires certain business-related records be kept for at least four years. These include:

- Employer Identification Number
- Amounts and dates of all wages, annuity and pension payments
- The fair-market value of wages paid 'in-kind' rather than in cash
- Names, addresses, social security numbers, and occupations of all employees and others that receive payments
- Any copies of Form W-2 that were returned during a year
- Dates of employment
- Periods for which employees were paid while absent due to sickness or injury and the amounts they were paid
- Copies of relevant 'W-4' forms (W-4, W-4P, W-4S, or W-4V)
- Dates and amounts of taxes deposited
- Fringe benefit records

Contact: US Internal Revenue Service,
1-800-829-1040, www.irs.gov

Employer Identification Number

Businesses are required to have an Employer Identification Number (EIN). This number is different from the Vermont Business Tax Account Number discussed earlier. It is now possible to obtain an EIN by applying online at: <https://sa2.www4.irs.gov/modiein/individual/index.jsp>. Or the employer can file Form SS-4 to receive an EIN.

Publication: Tax Guide for Small Businesses, 2007, IRS Publication 334
www.irs.gov/pub/irs-pdf/p334.pdf

Tax Form: IRS Form SS-4, *Application for Employer Identification Number*

Contact: US Internal Revenue Service,
 1-800-829-1040, www.irs.gov

Payments to Non-Employees

Payments of \$600 or more to non-employees (such as sub-contractors) must be reported on a federal information return using the appropriate IRS Form 1099. A filing is required for each person paid and for each discrete payment. Since there is more than one type of Form 1099, make sure the correct form is used. In addition, IRS Form 1096 is filed at year's end to summarize payments to non-employees.

Tax Forms:
 IRS Form 1099-MISC., *Miscellaneous Income*

IRS Form 1096, *Annual Summary and Transmittal of US Information Returns*

Contact: US Internal Revenue Service,
 1-800-829-1040, www.irs.gov

Vermont Business Requirements

Business Licenses

Businesses incorporated in Vermont must file 'Articles of Incorporation' with the Corporations Division of the Secretary of State. Once a certificate of incorporation has been issued, the corporation is now viewed by the State as its own entity.

Out-of-state corporations doing business in Vermont must obtain a Certificate of Authority to do business here. The application is obtained from the Corporations Division of the Secretary of State.

Finally, all business names -- whether corporations, LLCs, sole proprietorships or partnership -- must be registered with the Secretary of State.

Contact: Vermont Secretary of State's Office,
1-802-828-2363, www.sec.state.vt.us

Contracts for the Purchase of Timber

According to the Uniform Commercial Code (UCC, a body of law whose purpose is to unify rules of conduct in business relationships), the sale of timber is either a sale of an interest in land (if the buyer fells and extracts timber, which is most commonly the case), *or* it is considered 'goods' if the aggregate value is more than \$500 and the seller does the cutting (UCC 2-107). *Both conditions require that such contracts are in writing.*

A written contract demonstrates the logger's legal interest in timber. It is not against the law to sell timber without a written contract. However, if either party is required to prove the existence of an agreement to buy or sell timber, a written contract is the only evidence that authorities or courts will accept. A timber sale contract clearly establishes the logger's legal interest in timber and can be filed in the town records as a claim against the property (Uniform Commercial Code: Title 9A V.S.A.).

Publication: McEvoy, T.J. 2005. *Owning and Managing Forests: A Guide to Legal, Financial, and Practical Matters*. Island Press, Wash. D.C. 266p.

Contact: The Vermont Department of Forests, Parks and Recreation has sample contracts available upon request from District offices or your County Forester. (See Appendix)

Buying and Selling Forest Products - Weights and Measurements

State law requires that merchantable volume for the sale and purchase of sawlogs be determined by either the International ¼ Inch Rule or the Vermont Rule. Both rules are fairly similar, with the Vermont Rule giving a slight 'seller's advantage' with smaller-diameter logs. Log diameters are always measured from a point inside bark on the smallest end of the log, and merchantable lengths are measured along the shortest side. Generally, nominal log lengths also include an extra 4 to 6 inches for trim allowance. So, for example, a 16-foot log at a mill that requires a 4-inch trim allowance must be at least 16 feet and 4 inches in total length along the shortest side of the log. If the trim allowance is lacking, logs are usually scaled at the next lowest nominal length. Thus a log that is 16 feet and 2 inches would be automatically scaled as a 14-foot log. The actual trim allowance varies by mill, so it is essential that log sellers discover trim allowance requirements of local markets.

Both the International ¼ inch and the Vermont rules are available as 'log' scales and for estimating volumes in standing trees. Always make sure the rule applies to the products being measured. Copies of both rules (in 'tree scale' and 'log scale') are easily located by doing a web-search on the appropriate rule name.

For a description of the Vermont Rule see: Log measure - The Vermont Rule, 9 V.S.A. Chapter 73 § 2693.

Other commonly used volumetric measures for forestry purposes are described in the Vermont Weights and Measures Law (9 V.S.A. Chapter 73 § 2651). It defines the following units:

- Cord – A stacked volume of wood, bark and air in a pile whose dimensions include 128 cubic feet. Also known as a 'standard cord.'
- Run – A stacked volume of wood, bark and air whose dimensions include 42.7 cubic feet, or one-third of a standard cord. Also known as a 'rick' or a 'face cord.'
- Ton – Under the avoirdupois system, a ton equals 2,000 pounds.

Contact: Vermont Agency of Agriculture, Food and Markets
Weight and Measures Specialist, 1-802-828-2436

Federal Insurance Requirements

Federal Unemployment Insurance

Taxes paid under the Federal Unemployment Tax Act (FUTA) are used to pay the cost of administration of state programs, the federal cost of extended benefits, and to make loans when state unemployment trust funds have to borrow money to make payments. Only employer's pay FUTA taxes, employee wages are not affected.

An employer is required to pay federal unemployment insurance if it paid \$1,500 or more to employees in any single quarter, or if the employer hired at least one person for a day's work during any 20 weeks of the year. Insurance rates depend on the amount of past unemployment claims filed against the business.

An employer may now file and pay the FUTA tax electronically by going to www.irs.gov. Employers may also file using IRS Form 940 Employer's Annual Federal Unemployment (FUTA) Tax Return.

Tax Form: IRS Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*

Contact: US Internal Revenue Service, 1-800-829-1040, www.irs.gov

Vermont Insurance Requirements

Workers' Compensation Insurance

The Vermont Workers' Compensation Insurance system (WCI) is a form of liability insurance for employers to compensate employees who suffer personal injury while on the job. It is intended to limit the financial exposure of businesses when employees get hurt, and to provide compensation to employees when an injury prevents them from working. Under state law, an employer is required to purchase WCI if:

1. The employer hires one or more full- or part-time employees residing in Vermont; or
2. The employer hires one or more full- or part-time employees residing in another state but the employee works in Vermont.

Insurance premiums are based on the following factors:

- Business type
- Payroll size

- Current rate for given type of work
- Company's experience rating

Significantly, the US Forest Service requires workers' compensation insurance for all contractors, and the UVM Extension Forester recommends to ALL forest owners that logging contractors – even sole proprietors – show proof of worker's compensation insurance (or some other form of general liability insurance). Despite the fact that rates are high, a single injury can destroy even a financially sound business.

The Vermont Department of Labor has determined that an employer is not required to provide coverage to independent contractors. However, the determination of 'independent contractor' status is a complicated matter. Vermont courts rely upon the "Right to Control" and "Nature of Business" tests (discussed earlier) to determine whether or not an individual is an employee or an independent contractor.

Under the "right to control" test, courts examine numerous factors to ascertain whether a company has exercised sufficient control over an individual to classify the relationship as that of employer/employee within the meaning of the worker's compensation statute. The test does not actually require an employer to exercise control, it merely requires that an employer *could* exercise control over the person. (From: *Employee v. Independent Contractor Fact Sheet*).

Under the "nature of the business test," if the work being performed equates with the business, trade or occupation of the employer, then an employee/employer relationship exists. In other words, if the work performed by the alleged independent contractor is work that could have otherwise been performed by an employee, then workers' compensation coverage is required" (From: *Employee v. Independent Contractor Fact Sheet*).

All questions regarding the status of workers should be directed to the Vermont Department of Labor or a qualified labor attorney.

Publication: *Employee v. Independent Contractor Fact Sheet*, 2005, Vermont Department of Labor, www.labor.vermont.gov/Default.aspx?tabid=1125

Contact: Vermont Department of Labor
1-802-828-4000, www.labor.vermont.gov

Unemployment Insurance

Unemployment insurance provides temporary income for workers who have become involuntarily unemployed. In order to qualify for compensation, the employee must have worked a minimum of 30 days and must not have quit or been fired for misconduct. Program costs are covered entirely by employers. Taxes are payable on the first \$8,000 in wages paid to each employee during the calendar year. Similar to federal unemployment insurance, Vermont unemployment insurance rates are determined by the company's experience rating which translates into the amount of unemployment claims filed against the business.

For further information, contact the Vermont Department of Labor.

Contact: Vermont Department of Labor
1-802-828-4000, www.labor.vermont.gov

General Liability Insurance

Vermont does not require general liability insurance for operations on private land. The state does, however, require liability insurance for all contractors operating on state land, and the UVM Extension Forester advocates that forest owners require ALL logging contractors to show proof of liability insurance. Some mills also require liability insurance to protect themselves from lawsuits resulting from personal injury on the job. General liability insurance is offered by business insurance companies.

APPENDIX

Federal Agencies

U.S. Army Corps of Engineers
8 Carmichael St. #205
Essex Junction, VT
802-872-2893
www.nae.usace.army.mil

USDA Forest Service
Green Mountain National Forest
231 North Main St.
Rutland, VT 05701
802-747-6700
www.fs.fed.us/r9/forests/greenmountain/html/greenmountain/g_home.htm

U.S. Department of Labor
Employment and Training Administration
John F. Kennedy Federal Building, Room E-350
Boston, MA 02203
617-788-0170

U.S. Environmental Protection Agency
Region 1
1 Congress St.
Boston, MA 02114-2023
617-918-1111
www.epa.gov/region1

U.S. Fish and Wildlife Service
11 Lincoln St. # 105
Essex Junction, VT 05452
802-879-1859
www.fws.gov

U.S. Internal Revenue Service
Courthouse Plaza
199 Main St.
Burlington, VT 05401
802-859-1052
www.irs.gov/advocate/article/0,,id=147478,00.html

State Government/Agencies

State Government Information
802-828-1110

Vermont Agency of Agriculture, Food and Markets
116 State St.
Montpelier, VT 05620
802-828-2416
www.vermontagriculture.com

Vermont Agency of Natural Resources
103 South Main St., Center Building
Waterbury, VT 05671
802-241-3600
www.anr.state.vt.us/

Dept. of Environmental Conservation
DEC Commissioner's Office
One South Building
103 South Main Street
Waterbury, Vermont 05671-0401
802-241-3808
<http://www.anr.state.vt.us/dec/dec.htm>

Dept. of Fish and Wildlife
FWD Commissioner's Office
10 South Building
103 South Main Street
Waterbury, Vermont 05671-0501
802-241-3700
<http://www.vtfishandwildlife.com/>

Dept. of Forest, Parks & Recreation
FPR Commissioner's Office
8, 9 & 10 South Building
103 South Main Street
Waterbury, Vermont 05671-0601
802-241-3670
<http://www.vtfpr.org/>

Departments of Forests, Parks and Recreation District Offices:

District 1

100 Mineral St., Suite 304
Springfield, VT 05156
802-885-8855

District 2

271 N Main St., Suite 215
Rutland, VT 05701
802-786-0060

District 3

111 West St.
Essex Junction, VT 05405
802-879-6565

District 4

5 Perry St., Suite 20
Barre, VT 05641
802-476-0170

District 5

1229 Portland Street, Suite 201
Saint Johnsbury, VT 05819
802-751-0110

Vermont County Foresters

Addison

23 Pond Lane, Suite 300
Middlebury, VT 05753
802-388-4969 Ext. 333

Bennington

324 Main Street
CCV Bldg. Room 203
Bennington, VT 05201
(802) 447-6501

Caledonia/Essex
1229 Portland St., Suite 201
St. Johnsbury, VT 05819
802-751-0111

Chittenden
111 West St.
Essex Junction, VT 05452
802-879-5694

Franklin/Grand Isle
278 South Main St., Suite 2
St. Albans, VT 05478
802-524-6501 Ext. 214

Lamoille/Orleans
29 Sunset Drive, Suite 1
Morrisville, VT 05661
802-888-5733

Orange
5 Perry St., Suite 20
Barre, VT 05641
802-476-0173

Rutland
271 No. Main St., Suite 215
Rutland, VT 05701
802-786-3853

Washington
5 Perry St., Suite 20
Barre, VT 05641
802-476-0172

Windham
11 University Way, Suite 4
Brattleboro, VT 05301
802-257-7967 Ext. 15

Windsor
 220 Holiday Drive, Suite 5
 White River Junction, VT 05001
 802-281-5262

Vermont Agency of Transportation
 Department of Motor Vehicles
 120 State St.
 Montpelier, VT 05603
www.dmv.state.vt.us/dmvhp.htm

- Commercial Driver License: 802-828-2085
- Commercial Vehicle Enforcement: 802-828-2078
- General Information: 802-828-2000
- Oversize & Overweight Permits: 802-828-2064
- Vehicle Registration: 802-828-2000

State Highway Districts

District 1
 359 Bowen Road
 Bennington, VT 05201
 Phone: 802-447-2790
 Fax: 802-447-2793

District 2
 870 US Rte. 5
 Dummerston, VT 05301
 Phone: 802-254-5011
 Fax: 802-251-2000

District 3
 122 State Place
 Rutland, VT 05701
 Phone: 802-786-5826
 Fax: 802-786-5894

District 4
221 Beswick Drive
White River Junction, VT 05001
Phone: 802-295-8888
Fax: 802-295-8882

District 5
5 Barnes Ave
Colchester, VT 05446

Mailing address
PO Box 168
Essex Junction, VT 05453
Phone: 802-655-1580
Fax: 802-655-6642

District 6
186 Industrial Lane Rd. Berlin
Barre, VT 05641
Phone: 802-828-2691
Fax: 802-828-3530

District 7
1068 US Rte. 5, Suite 2
St. Johnsbury, VT 05819
Phone: 802-748-6670
Fax: 802-748-6671

District 8
680 Lower Newton Rd.
St. Albans, VT 05478
Phone: 802-524-5926
Fax: 802-524-7940

District 9
4611 US Rte. 5
Newport, VT 05855
Phone: 802-334-7934
Fax: 802-334-3337

Vermont Department of Employment and Training
 1.5 Green Mountain Drive
 PO Box 488
 Montpelier, Vermont 05601
 802-828-4000
www.det.state.vt.us/

Vermont Department of Health
 108 Cherry St.
 Burlington, VT 05402
 802-863-7200
www.healthvermont.gov

- Division of Occupational and Radiological Health 802-865-7730

Vermont Department of Labor
 5 Green Mountain Drive
 PO Box 488
 Montpelier, VT 05601
 802-828-4000
www.labor.vermont.gov

- Occupational Safety & Health- VOSHA: 800-287-2765
- Wage & Hour Laws: 802-828-0267
- Workers' Compensation: 802-828-2286
- Unemployment Employer Services: 802-828-4344

Vermont Natural Resources Board
 National Life Records Center Building
 National Life Drive
 Montpelier, VT 05620
 802-828-3309
www.nrb.state.vt.us

Act 250 District Environmental Commissions Offices

Districts 1 and 8
 440 Asa Bloomer Office Building
 Rutland, VT 05701
 802-786-5920

Districts 2 and 3
 100 Mineral Street, Suite 305
 Springfield, VT 05156
 802 885-8855

Districts 4, 6, and 9
 111 West Street
 Essex Junction, VT 05452
 802- 879-5614

District 5
 5 Perry Street, Suite 60
 Barre, VT 05641
 802- 476-0185

District 7
 1229 Portland Street, Suite 201
 St. Johnsbury, VT 05819
 802-751-0120

Other Organizations

Vermont Woodlands Association
 PO Box 6004
 Rutland, VT 05702
 (802) 747-7900
<http://www.vermontwoodlands.org/>

Vermont Coverts
 PO Box 81
 Middlebury, VT 05753
 (802) 388-3880
<http://www.vtcoverts.org/>

Associated Industries of Vermont
 PO Box 630
 Montpelier, VT 05601
 802-223 3441
www.aivot.org

Forest Resources Association - Northeast Region
35 Skyline Drive
Holden, ME 04429
207-745-2435
www.forestresources.org

Forest Stewardship Council
65 Millet Street, Ste. 201
Richmond, VT 05477
802-434-8708
www.fscus.org

Logger Education to Advance Professionalism (LEAP)
LEAP Coordinator
41 Northrup Road
Middletown Springs, VT 05757
802-235-2908

Northeastern Loggers Association
3311 State Route 28, PO Box 69
Old Forge, NY 13420
315-369-3078
www.northernlogger.com

Northeastern Lumber Manufacturers Association
272 Tuttle Road, PO Box 87A
Cumberland Center, ME 04021
207-829-6901
www.nelma.org

Sustainable Forestry Initiative
c/o Associated Industries of Vermont
99 State Street
Montpelier, VT 05602
802-223-3441
www.aivot.org/sfi.html

University of Vermont Extension
345 Rubenstein School for the Environment and Natural Resources
Burlington, Vermont 05405
802-656-2913

Vermont Forest Products Association
PO Box 991
Montpelier, VT 05601
802-224-9177

Vermont Small Business Development Center
PO Box 188
Randolph Center, VT 05061
802-728-9101
www.vtsbdc.org

Vermont Wood Manufacturers Association
PO Box 6004
Rutland, VT 05702
802-747-7900
www.vermontwood.com

NOTES:

