Farm and Forest Tax Deferral for Rogue Valley Land

Jamie Eldrett Real Estate | Last updated: July 18, 2026

Oregon taxes working land at a fraction of its market value. If your acreage grows crops, runs livestock, or grows marketable timber, a special assessment can cut the annual property tax bill dramatically, year after year. Buyers of rural property in Josephine and Jackson counties inherit these programs more often than they realize, and the rules around keeping, gaining, or losing the assessment are where the real money sits.

FARM USE SPECIAL ASSESSMENT

Land in farm use is assessed on its value as farmland, not its market value as a homesite or development parcel. Inside an Exclusive Farm Use (EFU) zone, qualifying land gets the assessment without an income test as long as the farm use is real and primary. Outside an EFU zone, the land must meet a gross farm income test in 3 of the last 5 years, scaled to acreage.

What counts as farm use: raising crops, livestock, poultry, bees; dairying; horticulture. The use has to be genuine and aimed at making a profit. A large lawn and a hobby garden do not qualify.

Apply with the county assessor between January 1 and April 1 · Josephine: (541) 474-5260 · Jackson: (541) 774-6061

FORESTLAND SPECIAL ASSESSMENT

Land held to grow and harvest marketable timber is assessed at forestland values. Two main paths: the standard **Forestland program** (2-acre minimum of qualifying forestland, stocking requirements apply) and **Small Tract Forestland** for owners of 10 to 5,000 acres, which trades a lower annual assessment for a severance tax at harvest.

Stocking means the land actually carries enough trees of a marketable species; the assessor can and does verify. Application runs January 1 to April 1, and every owner on title signs.

County assessor (numbers above) · Oregon Department of Forestry, Grants Pass unit: (541) 474-3152

BUYING OR SELLING LAND THAT CARRIES A DEFERRAL

This is where the program turns from a gift into a trap. When specially assessed land is disqualified, whether by a change of use, a failed income test, or a new owner who stops farming, the county can collect **back taxes on the difference**

between the deferred and full assessment, typically for up to 5 to 10 years depending on the program. On the wrong parcel that is tens of thousands of dollars, and it lands on whoever owns the land at disqualification.

> Buying rural property in the Rogue Valley? Three questions before you write the offer: Is the land under farm or forest special assessment? Does your planned use keep it qualified? If not, what is the potential additional tax, and who pays it? The county assessor will run the disqualification math on a specific parcel. Get the answer in writing before closing, not after.

Selling works the same in reverse: a deferred assessment your buyer intends to keep is a selling point worth marketing. A deferral your buyer's plans will break is a negotiation you want to have on purpose, not by surprise.

ADJACENT PROGRAMS WORTH KNOWING

Wildlife Habitat Conservation: land under an approved habitat plan keeps farm-or-forest-level assessment without farming. An option for owners whose land has conservation value but no commercial use.

ODF cost-share and the wildfire programs: fuels reduction and defensible space funding for forested parcels is covered in the companion Wildfire Preparedness & Defensible Space Programs guide.

USDA well and septic loans: 1% loans up to $15,000 for household wells and septic systems through USDA's Rural Decentralized Water Systems grantees; the next application window is expected mid-2026. rd.usda.gov.

Special assessment rules live in ORS chapter 308A and county practice varies in the details. Figures and thresholds here are current as of mid-2026 and change. Confirm any parcel's status and disqualification exposure directly with the county assessor before buying, selling, or changing the use of the land. None of this is legal or tax advice; a specific parcel decision deserves a call to the assessor and, where real money is at stake, an attorney or accountant.