

# **TURNOVER, OPERATING COSTS, INVESTMENTS AND TAX REVENUES GENERATED IN NON-INDUSTRIAL PRIVATE FORESTRY IN A BOREAL RESOURCE COMMUNITY**

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## **ABSTRACT**

Population growth and infrastructural development in Boreal north-west interior Sweden has been based on utilisation of forest resources. Traditionally, the NIPF owners cut and delivered most of the timber that were produced on the forest farm and a considerable part of the NIPF owners profit consisted of both income from the forestry work and income from the primary product (timber). This generated both occupation and tax revenues on local level. Today, due to i.e. mechanisation, only a small number of job opportunities remain in the municipality where the resources are produced. Despite this, private forest properties still can be held important for the infrastructure in the municipality. Reinvestments among the non-industrial private forest owners in shape of operating costs and investments can be regarded as one essential part in this importance; another one is the direct tax revenues generated to the local authority. In this presentation preliminary results regarding turnover, operating costs and investment in non industrial private forestry are presented. Storuman, a Boreal resource community in north-western interior Sweden, was the geographically delimited area selected for the study. Local tax revenues generated from NIPF and the flow of tax revenues to municipalities where the absentee proprietors live, and to the state, were also quantified.

The strategies used for the analysis aimed at comprise NIPF owners' income identifiable as income from forestry, for one specific year. Secondary data was selected with assistance from Statistics Sweden (SCB). Each private individual proprietor and part proprietor of agricultural unit within the municipality was identified. Further, income-tax return form was analysed aiming at answering the stated issues. The target population consisted of about 1600 non-industrial private forest owners who together owned close to 90 000 ha productive forestland.

The preliminary results show that a considerable amount of the NIPF owners' turnover was reinvested in the estates by means of operating costs and investments for the actual year. Which put forward, that part of this re-spending will give rise to responses in economic activity in the municipality and probably can be held important for the infrastructure in the municipality. Further, the results ask for studies on individual level concerning the reinvestments. Considering direct tax revenues generated, the results show that central tax revenues exceed local revenues. The amount of local tax revenues generated from NIPF owners was so low that it barely can contribute to local development projects.

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