



Cabin Fee Act; Frequently Asked Questions

These frequently asked questions (FAQs) supersede all previous Forest Service FAQs on the Cabin Fee Act.



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The Cabin Fee Act

1. What is the Cabin Fee Act?

The Cabin Fee Act (CFA) was enacted December 19, 2014, as Section 3024 of the National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113-291. The CFA establishes a new method for determining land use fees for recreation residence permits issued by the Forest Service (FS). Section 3024(k) of the CFA repeals the former law that governed land use fees for recreation residence permits, the Cabin User Fee Fairness Act of 2000 (CUFFA). The CFA uses tiered fees and requires payment of a transfer fee when a recreation residence changes ownership. Starting ten years from its enactment, on December 19, 2024, the CFA also authorizes the FS to retain land use fees collected under that statute and spend them without further appropriation on administration of the recreation residence program and other recreation programs on National Forest System (NFS) lands.

2. When the Forest Service starts retaining land use fees under the CFA, will all of those funds stay in the district where they were collected?

The CFA does not require expenditure of land use fees in the district where they were collected. Land use fee retention will commence December 19, 2024. Before that date, the CFA land use fees collected will go to the general treasury of the United States.

3. Why was the CFA enacted, and where did the percentages and fee amounts come from?

Recreation residence owners, through the National Forest Homeowners (NFH) and other organizations, worked with members of Congress for several years to draft legislation that would establish a market-based land use fee structure for recreation residence permits. The FS testified in support of the proposed legislation and is responsible for implementing the CFA as enacted. Under CUFFA, the annual land use fee was based on 5% of the appraised value of the recreation residence lot (not including the recreation residence and other privately owned improvements), which some recreation residence owners argued was excessive or unaffordable. The annual land use fee and corresponding percentages of recreation residences for each tier were crafted by the NFH and members of Congress with input from the Congressional Budget Office.

4. Where can I locate a copy of the CFA?

The CFA can be found on the website of the U.S. House of Representatives, Office of the Law Revision Counsel, online at [http://uscode.house.gov/view.xhtml?req=\(title:16%20section:6214%20edition:prelim\)](http://uscode.house.gov/view.xhtml?req=(title:16%20section:6214%20edition:prelim)).

5. What does the CFA do for recreation residence permit holders?

The CFA removes the need for the recurring appraisal process that was required under CUFFA. The CFA establishes 11 fee tiers, ranked in order of the last FS-approved appraisal of the recreation residence typical lot under Cabin User Fee Fairness Act of 2000. The fee

tiers enhance the predictability and stability of land use fees for recreation residence permits. The 11 fee tiers range from \$650 to \$5,650, increasing in \$500 increments. The CFA also established a transition period from the previous fee system under CUFFA retroactive to 2014, which limited the annual appraised land use fee increase for 2014 and 2015 be limited to not more than 25 percent or \$5,600. This resulted in some permit holders getting a refund or credit towards their 2015 bill.

6. Are recreation resident land use fees deductible on federal tax returns?

Please consult a tax professional regarding any federal, state, or local tax deduction questions.

7. Will the Forest Service issue new recreation residence permits as a result of enactment of the CFA?

No. Enactment of the CFA does not require issuance of new recreation residence permits. The CFA merely changes the land use fee system for recreation residence permits. The FS will amend existing recreation residence permits to substitute the land use fee system in the CFA for the land use fee system in CUFFA. This permit amendment will not require the signature of the permit holder.

Fee Tier Assignments

8. Under CUFFA, my fee was based on a second FS appraisal and a fee adjustment by the FS. Will my tier assignment under the CFA be based on the second FS appraisal and the fee adjustment I received under CUFFA?

The CFA provides that FS-approved appraisals shall be used as the basis for tier assignments. There is no provision in the CFA to consider CUFFA fee adjustments in the tier assignment process, unless they were documented as part of the appraisal process. If the fee adjustment was not documented as part of the appraisal process, your tier assignment will be based on the first or second FS appraisal.

9. Will fee adjustments be considered in the CFA tier assignments?

No. Fee adjustments will not be considered unless there was a corresponding adjustment of the appraisal value.

10. How were fee tiers assigned?

The CFA specifies that the most recent FS-approved appraisal shall be used as the basis for tier assignment. Prior to assignment, the appraised values were “normalized” using the National Association of Homebuilders/Wells Fargo Housing Opportunity Index (2012 4th quarter). This normalization process adjusted for real estate value changes that had occurred over the entire appraisal cycle in order to provide for an equitable tier ranking. The normalized values were ranked from lowest to highest. The CFA-prescribed percentage for each tier (see table below) was then applied to the normalized values to determine the tier

assignments. For example; 6% of the lowest normalized values nationwide were assigned to Tier 1, and 1% of the highest normalized values nationwide were assigned to Tier 11.

Table 1: After the initial year of implementation of the CFA, land use fees will be adjusted annually using a 5-year rolling average from the Implicit Price Deflator for the Gross Domestic Product (IPD-GDP) issued by the U.S. Department of Commerce, Bureau of Economic Analysis.

Fee Tier	Approximate percent of permits annually	2016 Land Use Permit Fee (in \$)
1	6	650
2	16	1,150
3	26	1,650
4	22	2,150
5	10	2,650
6	5	3,150
7	5	3,650
8	3	4,150
9	3	4,650
10	3	5,150
11	1	5,650

11. When will the fee tier assignments be made?

The tier assignments have been completed; the FS regions have identified the individual lot holders for each tier for billing purposes. The FS has provided the tier assignments to the NFH for verification prior to billing. Recreation residence owners will soon receive tier assignments and land use fee bills for 2016.

12. Will my land use fee change as a result of the fee tier assignments?

Yes. Some annual land use fees will increase while others may decrease based on the tier assignment.

13. Why did my annual land use fee stay almost the same, while the land use fee for other recreation residence owners decreased significantly?

The CFA does not adjust land use fees by a fixed amount, or percentage, or across the board. The CFA is intended to establish a market-based fee structure that is more predictable and stable than the fee system under CUFFA.

14. Can I appeal my fee tier assignment?

No. Fee tier assignments are not appealable because they do not involve a decision of the authorized officer, but rather application of a mathematical procedure established by statute.

Recreation residence owners are encouraged to contact their local FS office with any questions they may have regarding implementation of the CFA.

15. Can I obtain a new appraisal from the FS if I'm unhappy with my fee tier assignment?

No. The CFA directs the FS to finalize any pending appraisals prior to implementation of the CFA, and all pending appraisals have been completed. The CFA further requires the FS to adjust the appraised values through the normalization process to reflect market value.

16. What will my annual land use fee be in the future?

Your future land use fee will be your 2016 land use fee calculated under the CFA, plus a nominal inflation adjustment each year as required by the CFA, 16 U.S.C. 6214(f)(2).

17. When is payment due for land use fees calculated under the CFA?

Starting in 2016, land use fees for recreation residence permits will be calculated under the CFA. Payment is due within 30 days from the date the bill is issued, which is usually in December of the previous year, but may be delayed for 2016. Late payment charges begin to accrue 31 days after a bill is issued (7 CFR Part 3).

Transfer Fee

18. What is a transfer fee?

The CFA requires the FS to charge a transfer fee of \$1,200 when there is a change in ownership of a recreational residence and a new permit is issued. The transfer fee will be adjusted annually for inflation, based on changes in the IDP-GDP, applied on a 5-year rolling average (16 U.S.C. 6214(h)(1) and (2)).

19. Why is the FS imposing a transfer fee?

The FS did not decide to impose a transfer fee under the proposed land use fee legislation for recreation residences. Congress enacted the transfer fee as part of the CFA, and the FS must implement the law as written.

20. When will the transfer fee requirement be implemented?

The transfer fee requirement became effective January 1, 2016, when the phase-in period ended. A transfer fee is required whenever a new recreation residence permit is issued due to a change in ownership of the recreation residence. Issuance of a new recreation residence permit due to a change in ownership that is initiated via a written request received by the FS on or prior to December 31, 2015, is not subject to the transfer fee.

21. What will transfer fee revenues be used for?

For the next ten years, the transfer fee, as well as annual land use fees for recreation residence permits, will be deposited into the Treasury as miscellaneous receipts. Starting December 19,

2024, ten years from enactment of the CFA, the transfer fees and land use fees will be retained and spent by the FS without further appropriation on administration of the recreation residence program and other recreation programs on NFS lands (16 U.S.C. 6214(j)(1) and (2)).

22. I own a recreation residence, and I want to put it into a trust. Would that trigger a transfer fee?

Yes. When a recreation residence is included as tangible personal property of a trust, ownership of the recreation residence shifts from the permit holder to the trustee of the trust. Ownership changes even if the grantor and the trustee of the trust are the same person. As a result of the change in ownership, the existing permit terminates (36 CFR 251.59), a new permit must be issued, and a transfer fee will be assessed. When the trust terminates, ownership changes and a new permit must be issued, typically to a beneficiary.

23. I'm selling my recreation residence for a nominal amount to my daughter. Do I have to pay a transfer fee?

Yes. The transfer fee is required for issuance of a new recreation residence permit due to a change in ownership of the recreation residence. In the case of a change of ownership due to the sale of the recreation residence, the amount of the sale and the relationship of the buyer to the seller are irrelevant.

24. My spouse and I own a recreation residence. We are now divorced. The court decreed that I retain sole possession of the recreation residence. Do I have to pay a transfer fee to have the recreation residence permit issued in my name?

Yes, unless the recreation residence permit was issued to you alone. In that case, there is no change of ownership, so the permit remains in effect and no transfer fee is required for issuance of a new permit. If the recreation residence permit was issued to both spouses or to your spouse alone, the permit terminated when ownership of the recreation residence changed under the court decree (36 CFR 251.59), a new permit must be issued to you alone, and a transfer fee will be assessed.

25. I share ownership of a recreation residence, and I'm the named permit holder. Will a transfer fee be charged if my co-owner's name is added to the recreation residence permit?

A recreation residence permit should not be revised to name a co-owner who is not a spouse. Only an individual owner or married couple co-owners may be named on a recreation residence permit. Adding the name of a co-owner spouse would not result in a transfer fee, as there is no change in ownership.

26. My recreation residence is in a trust. I want to amend the trust to change the beneficiaries. Does changing the beneficiaries trigger the transfer fee?

Changing the beneficiaries of a trust does not change the ownership of the trust and therefore does not trigger the transfer fee.

27. My recreation residence is in a trust. I want to amend the permit to change the Trustee. Does changing the Trustee trigger the transfer fee?

Yes. By operation of law, a trustee is considered the owner of a property held in trust and can take binding action regarding the trust property. Therefore, a permit for a recreation residence held in trust is issued to the trustee of the trust. If the trustee holding the recreation residence permit changes, there is a change in ownership of the recreation residence. As a consequence, the permit terminates, and a new permit must be issued for the recreation residence [36 CFR 251.59 Transfer of authorized improvements](#). A transfer fee will be assessed in connection with the issuance of a new recreation residence permit due to a change in the permit holder/Trustee.

Annual Land Use Fee

28. If I paid my annual land use fee under the CFA in 2016 and sold my recreation residence right after, am I due a refund?

No. The annual land use fee is always due and payable by the current permit holder of record within 30 days of being billed. The FS does not prorate land use fees. Any proration of the land use fee would have to be addressed by the buyer and seller. A transfer fee would be assessed in connection with issuance of a new recreation residence permit due to a change in ownership.

29. How much will my annual land use fee change from year to year under the CFA?

The annual land use fee under the CFA is not tied to an annual appraisal, so there will not be any changes in annual land use fees for recreation residence permits due to local market forces. Instead, increases in annual land use fees will be tied to the IDP-GDP, applied on a 5-year rolling average (16 U.S.C. 6214(f)(2)).

More information: www.fs.usda.gov/okawen