

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
Seventy-Eighth Oregon Legislative  
Assembly  
2015 Regular Session  
Legislative Revenue Office

Bill Number: HB 2588 - 4  
Revenue Area: Timber Tax  
Economist: Christine Broniak  
Date: 7-1-2015

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

**Measure Description:**

Imposes severance tax of \$10 per thousand board feet for timber harvested in Oregon. Allocates \$5 per thousand board feet to the Forest Fire Reserve Fund, an amount necessary for administration of this fund to the Department of Forestry, \$1 per thousand board feet to the Watershed Conservation Grant Fund, and the remainder to counties, according to their harvest.

**Revenue Impact (in \$Millions):**

	2015-17	2017-19	2019-21
Forest Fire Reserve Fund	\$25.0	\$38.3	\$38.3
Department of Forestry (Funds necessary to administer the Forest Fire Reserve Fund, assumed to be 5% of fund)	\$1.2	\$1.9	\$1.9
Watershed Conservation Grant Fund	\$5.0	\$7.7	\$7.7
To Counties (according to their harvest)	\$18.7	\$28.7	\$28.7
<b>Total</b>	<b>\$50.0</b>	<b>\$76.6</b>	<b>\$76.6</b>

**Impact Explanation:**

The measure imposes a new severance tax on the harvest of timber in the state of Oregon. Funds from the severance tax are divided as described above. Harvest levels in 2017 are extrapolated from the first quarter projection and are assumed to remain constant through 2021.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No