

## HB 2495 -1, -2, -4 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 4/17, 5/29

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#### **WHAT THE MEASURE DOES:**

Makes privilege taxes on merchantable forest products harvested on forestlands permanent and increases rate of tax levied for payment of benefits related to fire suppression. Creates Wildfire Suppression Fund and directs to fund portion of tax levied for payment of benefits related to fire suppression. Provides that State Forester may expend moneys from separate request for General Fund appropriation only if available moneys in Wildfire Suppression Fund are insufficient for expenditure. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Presentation on forestlands taxation and fire management by member
- Governor appointed a wildfire council
- This is 3/5 vote to raise revenue

#### **EFFECT OF AMENDMENT:**

-1 Imposes an additional 2.5% severance tax at the time of harvest for harvesters with more than \$10 in severance tax liability. Directs the monies to be deposited in the Wildfire Suppression Fund.

-2 Increases Forest Products Harvest Tax by \$10 per thousand board feet. Directs the monies to be deposited in the Wildfire Suppression Fund.

-4 Reduces the amount of the Forest Products Harvest Tax that is received by Oregon Forest Research Institute by 60% and directs the monies to the Wildfire Suppression Fund.

#### **BACKGROUND:**

Timber history and forestlands in Oregon have changed over the past several decades, and so has taxation, regulation, assessment and management. All logging companies and individuals are charged a fee upon cutting timber to fund forest fire research and prevention. The first 25,000 board feet are exempted. Currently small timber owners also pay a severance tax upon cutting timber (those with less than 5,000 acres). Large timber owners are exempt from this tax.