

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
81st Oregon Legislative Assembly  
2021 Regular Session  
Legislative Revenue Office

**Bill Number:** HB 2070 - A  
**Revenue Area:** Timber Tax  
**Economist:** Jaime McGovern  
**Date:** 06/18/2021

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

**Measure Description:**

Extends privilege taxes on merchantable forest products harvested on forestlands. Creates permanent tax dedicated to fire suppression. Creates permanent tax dedicated to funding programs of the Oregon Forest Resources Institute (OFRI). Creates single rate, effective for calendar years 2022 and 2023, allocated to the Administration of the Forest Practices Act, Oregon State University (OSU) Research, and OSU Forestry Education respectively.

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

Revenue Impact	2021-23	2023-25	2025-27
OFRI	-1.41	-2.36	-2.40
Forestland Protection and Fire Suppression	1.44	2.40	2.44
OSU Research	4.10	2.62	0.00
Admin Forest Practices Act	9.43	6.03	0.00
OSU Education	0.96	0.61	0.00
<b>Total</b>	<b>14.51</b>	<b>9.30</b>	<b>0.04</b>

**Impact Explanation:**

The revenue impact affects the various programs funded by the Forest Products Harvest Tax (FPHT) differently. Historically, the FPHT has been constructed of five separate rates, which are applied to volume harvested, or thousand board feet (MBF). One rate, which funds OFRI’s activities has been set by the OFRI board, subject to a cap. Currently, that rate is \$1.12 per MBF. This measure now fixes that rate, in statute, without sunset, at 81 cents per MBF. Another rate component, which funds the Oregon Forestland Protection Fund and fire suppression activities, has been historically set, without sunset, in statute, at 62.5 cents per MBF. This measure increases that rate, without sunset, to 94 cents per MBF.

The three other components, which are currently in statute as three distinct rates, will expire at the end of calendar year 2021. Those rates are currently \$1.39 per MBF, \$.90 per MBF, and \$.10 per MBF and used to fund the (1) Administration of the Forest Practices Act, (2) Oregon State University (OSU) Research, and (3) OSU Forestry Education respectively. This measure establishes one new rate of \$3.18, apportioned to those three programs in the following proportions. It allocates: (1) 65.1% to Administration of the Forest Practices Act, (2)

28.3% to OSU Research and (3) 6.6% to OSU Forestry Education. This single allocated rate is set to sunset at the end of the calendar year 2023 under this measure, and therefore the revenue impact from this rate is temporary.

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