



Since 1907

April 7, 2021

Oregon State House Committee on Revenue

RE: HB 2379

To Rep Nathanson, and Others whom it may concern:

I'm writing to you on behalf of Fruit growers Supply Company which owns, and manages timberlands in the State of Oregon.

It has come to my attention that a hearing might be scheduled soon on HB 2379 related to the forest products harvest tax. I would like to share a couple concerns that I have related to the bill.

This is the wrong tax policy for timber.

The timber industry already pays a higher tax burden than other businesses in the state. The collective expense from property taxes, income taxes, payroll taxes, assessments for fire suppression, the new corporate activity tax, and the forest harvest products is 1.5 times more than what other Oregon business sectors are paying, 2 times more than what the manufacturing sector is paying, and over 1.25 times more than what the agriculture sector is paying.

Timber is taxed as a crop – just like all other crops in Oregon – but forests are more than just crops. Forests provide additional environmental, economic, and social benefits which should be considered in developing taxation policies. . While forests grow they provide water filtration, air purification, carbon capture and storage, wildlife habitat, and recreation. Also when trees are harvested they create family wage jobs, and the only reliable renewable source of carbon-neutral building materials.

In addition to the concerns I've mentioned, I believe the legislature has commissioned a study to look at Oregon fire funding at the request of Rep. Holvey, and I believe this will be highly useful contextual information for your committee.

Most importantly I hope you'll be able to provide the forest sector equal time to respond to and address many points that have been raised by Representative Paul Hilvey. Rep Holvey has enjoyed more than an hour to explain his bill, and the forest sector has not been afforded the opportunity to respond. There are significant considerations in any major tax legislation, and the policy, equity, and structure of forest taxation is no different than others.

If you have interest in connecting further, I'd be happy to speak with you. I can be reached at 360-249-5770.

Thank you for your leadership, and consideration

A handwritten signature in blue ink that reads "Thomas E. Shorey".

Thomas E. Shorey
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