

I submitted testimony on the original HB 2379, and this testimony is in addition to that testimony, not intended to replace it. Once again, we value OFRI and the services it provides us as timber land owners, as well as the information it shares with the public. The harvest tax has served well to provide funding for needed programs, and we encourage the retention of this tax and the current allocation of the funds it raises. The greatest reason we oppose this bill is that it imposes a "severance tax" on harvested timber. It is not a severance tax in any traditional definition of the term, but rather a sales tax imposed at the time of sale of a crop. The practical effect of this proposed tax is a for family forest owners is a "withdrawal tax" on how many of us have chosen to save money for our futures. We invested considerable funds in planting seedlings, controlling competing vegetation and other things to aid in the growth of our forests. We also have invested significant labor in these same activities. We already pay property taxes based on the forest land value of our property, and income tax on the gains earned when we harvest our trees. Unfortunately, we also pay taxes on the inflation that occurs between our investment and the sale of our crop. We, as a byproduct of our labor and investment, also simultaneously provide many benefits to the environment and society. Please oppose this bill in its entirety as it proposes unfair and unjust changes to the taxation of the products we produce.