

Oregon House Committee on Revenue
House Bill 2379
Chair Nathanson, Vice-Chairs Pham and Reschke, and Committee Members,

Thank you for this opportunity to comment on HB 2379-6. I support the bill and ask that you vote in favor of it. It is only equitable that the timber industry should be paying a proportional amount of fire costs as their land ownership, that is about 70% rather than the paltry 22 % that the industry pays now, much less than the industry claims to pay (50%). They should pay their fair share of the fire costs.

The funds from the severance tax should go to the counties as much as possible as local governments lost this revenue when the severance tax was reduced and eliminated. This should go to address vital health promoting projects such as protecting drinking water sources, reducing erosion, preventing landslides that result from extreme extraction of timber and clear cutting. The large companies make profits without internalizing the true costs to the communities nearby and downslope from these extractive operations. It is important that the State of Oregon protect its own communities before protecting extractive industries.

It is also important that the true value of the timber harvested be the basis for the amount of the severance tax, rather than basing the tax on the volume of timber harvested, regardless of the quality of the wood. If the truly valuable timber is also rare, then it is a scarce commodity and the entity making a greater profit on this rare commodity should be taxed accordingly. Otherwise, their profit is even higher due to the lower tax because the volume is less. This really exploits Oregon's valuable forests with no benefit to the State as a great deal of the profit goes to investors out of state. Meanwhile, we lose our greatest asset, something we should be conserving because of its important role in combating climate disruption through sequestering carbon in standing timber, not harvested timber. We have to change the way we assess true value of our assets in light of new exigencies. That applies especially to how we value our forests. Forests serve other functions that have great value, such as preserving local forest soils, preventing landslides, reducing wildfire damage, preserving biodiversity, providing recreation, and most importantly protecting our watersheds for current and future drinking water needs. State tax policies should reflect an understanding of our changing environment and needs.

Thank you for your hard work and attention to my concerns.