



T H E  
VICTORY GROUP

**To:** **Members of the House Committee on Revenue**

**From:** **Kevin Campbell**  
The Victory Group, Inc.  
On behalf of Associated Oregon Loggers

**Date:** January 28<sup>th</sup>, 2021

**Re:** **Support for HB 2456 – Section 6**  
Clarifies that logging equipment otherwise eligible for the personal property tax exemption is still exempt if it is not in use during the tax year

**Chair Nathanson and Members of the Committee,**

For the record, my name is Kevin Campbell and I am here today on behalf of the Associated Oregon Loggers to support HB 2456. This “omnibus” measure includes language that clarifies the applicability of the personal property tax exemption for logging equipment that is not in use during the tax year.

I’ve had the privilege of working on behalf of the Associated Oregon Loggers to pass the personal property tax exemption for logging equipment from the time it was first introduced over 20 years ago. In 1999, the Oregon Legislative Assembly passed and the Governor signed HB 2045, a measure that created an exemption from personal property tax for environmentally sensitive logging equipment. The purpose of the exemption was to incent the purchase of newer equipment designed to reduce the environmental impact of logging practices on our working forests and to also recognize the impact of taxation on equipment that can sit idle when the market and contract opportunities to operate ebb.

The Department of Revenue is currently interpreting use of the word “used” in ORS 307.827 to mean that the equipment must actually be used during the tax year in order to qualify for the exemption as opposed to an interpretation of the word “used” that refers to the purpose of the equipment. Section 6 changes the wording in ORS 307.827 from “used” to “used or held for use” in order to honor the original intent of the exemption and provide clarity to the Department of Revenue as they advise county assessors regarding implementation of the exemption moving forward. It makes little sense to require a logging company to pay personal property tax on equipment that is idle during the tax year and exempt the very same type of equipment from the tax when it is in use.

Thank you for your consideration and for your work to clarify the language in ORS 307.827!