

I thank the chair and the committee for this opportunity.

My name is Gregor Hinckley, I reside in Washington County and I am a registered Libertarian. I have no relation to any organization relating to the timber industry.

This is the first time I've felt moved to provide testimony before any committee in any capacity. Here is a citizen of the great state of Oregon and as a recovering Californian. I relocated to Oregon 3 and a half years ago due to the rising cost of living in southern California. My wife was born in Escondido California, and I relocated to San Diego as a child when my mother moved to California in 1964. My only concern is to see Oregon recover as fast as possible from the impact of SARS-CoV-2 over the last year.

Oregon is the 3<sup>rd</sup> largest producer in the nation of timber. Following Texas and Alaska. Both states are far larger than Oregon. California, also far larger and with far more timber acreage than Oregon yet produces far less as well as Washington and Idaho. Oregon provides lumber to the country. And demands should be going up given the wildfires all over the west over the last several years.

These wildfires can be controlled more by forestry management than by risking lives in throwing not money, but firefighters at the problem. This tax is focused on fixing the symptom caused by restrictions in forest management versus resolving the actual problem.

Economics is a funny thing, shackling the engines of industry causes not only stagnation but retraction. During the previous 4 years, the economy in Texas provided 60% of the jobs created nationwide before the SARS-CoV-2 restrictions. California on the other hand has lost more jobs, population, and industry than any state except for possibly New York, consistently each year over the last 5 years. During that time much of the rest of the country had grown, yet California has been losing people at the rate of almost 1 million a year. The primary reason given by the fleeing masses is the increase in real estate costs, taxes, and lack of opportunity.

Why you may ask?

All costs roll downhill. Let us look at the impact of increasing taxes:

Increasing retail costs reduces demand:

Washington, Idaho, Alaska are all states that that are poised to fill our timber orders. Canada is also capable of filling orders of the same type of timber Oregon can produce. If those markets shift due to the increase in price because we raise taxes, Oregon will lose jobs, and therefore state income, fuel, and property taxes will eventually be impacted. In every state where taxes are increased, actual state income is always reduced. We can see the same results here in the United States. HP, Tesla, Oracle, and other major corporations are leaving California, and it is not only because of the restrictive SARSCoV-2 response.

Lower profits mean less harvesting:

Just like in California, less timber harvesting combined with the tendency to impede forestry management means increased wildfire intensity and damage. Oregon has already seen this type of cost over the last several years.

With Lower harvesting comes less planting:

If companies determine they are going to leave the state after they have stripped the land, why re-plant

where they have harvested? There is no benefit to planting. To plant where the fires have burned or to plant where the harvesting has taken place.

Growing Trees capture Carbon:

Replacing the dead trees burned by all the wildfires can be replaced at no cost to the State if the opportunity for future harvesting can be guaranteed. Taxing the act of harvesting trees kills that industry. A tax will not help the environment.

In essence, you are imposing taxing money twice. 5% at the time of harvest and another 7.6% at the point of sale. The first for the new tax and the second for Oregon Corporate Tax. Almost doubling the corporate tax on this industry will kill it. Maybe that is your purpose.

In conclusion, taxes like the ebb tide pulls from the economy and lower all ships, a rising tide lifts all boats. I respectfully request that you veto HB 2379.

Thank you.

Gregor Hinckley

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