

February 25, 2021

Re: Support for HB 2379

Chair Witt and Members of the House Committee On Agriculture and Natural Resources:

As a concerned Oregonian, I write to urge support for HB 2379 for fair severance taxes on forest products.

Forestry is an important industry for Oregon and forest companies have found great success in our state. The industry is responsible not only to provide jobs but to contribute their fair share in taxes that support local communities. Naturally, these taxes must focus on the largest corporate landholders, real estate investment trusts with little commitment to the communities they extract lumber from.

Comparing Oregon to Washington, timber companies get forest products that are no less valuable, whether on the ground or in the lumber mill, and yet in Oregon, they escape paying the same tax rates that they would up north. As the League of Women Voters of Oregon notes, "Oregon harvests 50 percent more timber in thousand board feet per year than Washington does" and yet "Oregon's taxes bring in only \$16 million per year, while Washington brings in \$47 million annually." Here in Oregon, our state and counties pay for schools, police, clean water, and other essential services, just as they do in Washington, and so our counties deserve a fair investment from the forestry companies that do business here.

In the past year, Oregon Public Broadcasting and other media have documented vividly how legislative action in the 1990s gave tax cuts to the timber industry, stripping local counties of funds they needed then and still need today. In these strained economic times, it is essential to take a hard look at the state budget. This is not a year we can afford to extend tax cuts to large, out of state businesses.

We need to think long term about our system of timber taxation, balancing the needs of industry, communities, and environmental sustainability, for a fair system that does not burden our children and grandchildren.

I am not sure if this bill is perfect, but it is a step in the right direction. There are serious concerns relating to the environmental impacts of current logging practices, which I hope to see addressed in other ways. I urge you to support HB 2379 for tax fairness and to keep looking for ways to put our state's timber taxation system into balance.

Sincerely,
Audrey Zunkel deCoursey