

Submitter: David Wall  
On Behalf Of: Mr Oregon Opposes HB 4055  
Committee: Senate Committee On Finance and Revenue  
Measure: HB4055

Friday, [02.25.22]

I OPPOSE [HB 4055]. "Extends biennial privilege taxes on merchantable forest products harvested on forestlands."

The Forest Products Tax is ill-advised. There are many issues that have surfaced, materially affecting the economic health of the Forest Products Industry.

\*\*\*The Russian Invasion of Ukraine, the high price of fuel, the high inflation rate, the high consumer price index, the uncertainty of the hike of the prime rate by the Federal Reserve and the inability to transport Forest Products due to the bogged down supply chain.

The Forest Products Tax in the [2021 Session] died an ignominious death for good reason, the small-time landowners were being squeezed out of the Forest-Products business.

The loss of revenue to support The Forest Research and Experiment Laboratory and Professional Forestry Education programs at OSU should not be allowed to suffer but, it is the fault, yes, the most grievous fault of the Legislature from not creating a dedicated FUND to serve the aforementioned purposes.

The Forest Products Harvest Tax is an unsustainable source of revenue. the same argument can be easily mad to address the budgetary shortfall for the Department of Forestry's Administration of the Forest Practices Act.

The corporation tax schemes should be reviewed with reference to the creative use of 'S-corporations (pass-through entities)', 'Timber Investment Management Organizations (TIMOS)' and the 'Real Estate Investment Trusts (REITS)'.

Once stable and reliable funding sources are identified, a dedicated and restricted uses FUND should be constructed to fund the OSU and Forest Department programs.

With reference to OSU, the Extension Offices need to be consolidated. Too many Extension Offices have been permitted to expand but, have 'out-lived' their usefulness due in the internet and by having Extension Offices providing 'Agritourism' and 'Foodbank' functions' to assist 'Illegal Aliens', refugees and other indigent

populations.

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Mr. Oregon Conkurs.