



*The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.*

March 15, 2023

To: **Chair [Representative Nancy Nathanson, House Committee On Revenue](#)**

Re: **[HB 2087](#) - Forest Products Harvest Tax - **Comments****

One of the League of Women Voters of Oregon’s priorities is to “to generate adequate revenue for essential services while promoting equity and **progressivity in tax policy based on the ability to pay, and that it be equitable, adequate, stable, easy to administer and as simple as possible.**” **Our forestry positions state** “Healthy forests are essential to habitat for a diversity of plant and animal life, to the hydrologic cycle, and to carbon storage to mitigate global warming.”

HB 2087 continues the tradition of requiring the Oregon Legislature to approve the Forest Products Harvest Tax (FPHT) every two years. The last Harvest Tax Bill, HB 2070 Engrossed (2021), was a very complicated bill that had fixed dollar amounts to fund the Oregon Forest Land Protection Fund (OFLPF) for large fire suppression, at \$.94 per thousand board (MBF) feet harvested, and \$.81 to fund the Oregon Forest Resources Institute (and excluded funding for advertising). An additional \$3.18 was allocated by percentages to fund ODF Administration of the Forest Practices (65.1%), forestry research (28.3%) and OSU forestry education (6.1%). The harvest tax rate through the end of last year was \$4.93. This new Harvest Tax bill replaces the percentage allocations with fixed dollar amounts but the total rate is exactly the same, but eliminates OFRI funding. This harvest tax is *not* easy to administer and raises no revenue for either the counties or the General Fund. Instead, the tax benefits the timber industry, much like a commodity commission. The severance tax that used to support county services has been eliminated by past legislatures.

The LWVOR believes that *any* tax bill should not have to be reinstated every biennium, and we do not understand why this tax is an exception. The 2021 bills proposed by Rep. Marsh (HB 2389) and Rep Nathanson (HB 2430) proposed to end the tax review every two years, and we supported that idea in previous testimony.

**In the long term, we need a better system of timber taxation.** We need a well-designed timber tax to replace this inadequate and poorly designed tax—one that supports the timber counties that have received reduced property taxes for decades. We need a tax that also provides incentives to ensure the long-term health and protection of our forest soils and our future water supplies with incentives that encourage carbon sequestration to mitigate climate impacts that are decimating our forests. We prefer [HB 3025](#), an innovative timber tax bill introduced this session by Rep. Holvey and Sen. Golden because it based on harvest value rather than volume, incentivizes climate smart practices, reduces the tax for small acreage forest owners, and won’t be too onerous on large timber owners but will bring in as much timber revenue as our neighboring western timber states. Changing over to a value tax system would bring in significantly more revenue for Oregon. **We encourage you to schedule a public hearing on HB 3025.** However, if that better bill is not heard, we will reluctantly support HB 2087.

Thank you for the opportunity to discuss this legislation.

Rebecca Gladstone  
LWVOR President

Peggy Lynch  
Natural Resources Coordinator

Josie Koehne  
Forestry Portfolio