



## **HB 2087: Harvest Tax**

House Revenue – Josie Koehne – 3.7.2023

Tax Fairness Oregon has been following forestry timber tax issues ever since the Pro Publica/Oregonian articles first appeared in 2020 that pointed out the huge loss of revenue to timber counties when the Oregon's severance tax was reduced and then eliminated. That leaves Oregon will only the harvest tax. [HB 2087](#) continues the tradition of requiring the Oregon Legislature to approve the Forest Products Harvest Tax (FPHT) every two years. No other tax bill must be approved every two years and we see no reason why this tax bill should be the exception. ODF and the Dept of Revenue could be responsible for adjusting the harvest tax rates based on the most recent harvest data and annual projections and adjusted for inflation. On the ODF website, the current harvest tax rate through the end of last year was \$4.93. ODF's projected Preliminary Rate for 2023 is posted at \$5.9713, evidently the increase is needed to generate the same revenue.

HB 2087 bill, like last year's harvest tax bill has no funding for the Oregon Forest Resource Institute (OFRI). It provides fixed dollar amounts to fund:

- \$.625 for the Oregon Forest Land Protection Fund (OFLPF) for large fire suppression
- \$.90 for Forestry Research and the Experimental Lab
- \$2.0702 for ODF Administration of the Forest Practices Act
- \$.21 for OSU professional forestry education

This totals \$3.8052 which is \$1.12 less than last year! Perhaps those figures need to be adjusted upwards to generate the same resources. This is an issue we recommend you explore.

Additionally, local timber communities have lost the most since the timber industry is no longer paying the severance tax, so we recommend that you amend this bill and give counties \$2.00 per board foot in addition to the funding distributions in this bill.