

Dear Chair Nathanson and members of the Revenue Committee:

My name is Catherine Thomasson. I have worked on reform of the Timber tax for the past 3 years on behalf of the Environmental Caucus of the Oregon Democrats and with Metro Climate Action Team.

I am speaking against HB 2087. The Harvest Tax was instituted in 1947 in addition to the Severance tax and is based on the volume of timber cut. There is no other tax that has various rates for components set by a commodity commission (Oregon Forest Resources Institute), nor reset every biennium. This bill at the minimum should establish a standard rate that is corrected for inflation without the need to revisit the tax every two years.

More importantly, the entire system of the various taxes on timber harvest needs to be overhauled to remunerate the revenue for counties that was lost when the other component of timber tax, the severance tax was ended. At the time the Severance tax was eliminated, standard property taxes were supposed to be increased to support the counties in which the harvests occurred. Instead, this was not instituted, and the lands valued as timber land taxes only the value of the land but not the value of its assets i.e. forests.

HB 3025, currently languishing in the Committee on Agriculture, Land Use, Natural Resources and Water, is a strong bill that addresses the current programs supported by the Harvest tax. In addition, HB 3025 would serve as a privilege tax on the value of cut timber to fund fire management, county services, watershed protection and supervision of the Oregon Forest Practices Act. It also serves as a mechanism to incentivize improved harvest techniques to reduce the severe impact of clearcutting and current forest practices on our water systems that has caused serious harm in places as disparate as Salem (algae blooms), Corbett (greater than 50% reduction in water), and Arch Cape (requiring wells instead of use of the watershed).

Thank you for the opportunity to testify.

Catherine Thomasson, MD