

Submitter: Laura Wilkeson

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure: SB1593

Chair Meek and members of the Senate Finance and Revenue Committee -

I am writing to provide my testimony opposing the proposal to conduct a study on the effectiveness of implementing a severance tax on timber in Oregon. As someone deeply involved in the forestry industry, I strongly oppose the notion of studying such a tax for several reasons.

A severance tax is fundamentally unsuitable for taxing timber, a renewable resource. Unlike non-renewable resources such as coal and fossil fuels, timber is sustainably replanted and regrown. Considering the implementation of a severance tax fails to recognize the unique characteristics of timber harvesting and could have adverse repercussions on Oregon's forestry industry.

We don't need a study to tell us that a severance tax on timber would lead to significant economic ramifications. The forestry sector is a cornerstone of Oregon's economy, providing more than 60,000 jobs and contributing to the state's economic prosperity. Introducing a severance tax could undermine the competitiveness of Oregon's forestry sector, potentially resulting in job losses and diminished economic activity in rural communities that rely heavily on the industry.

Furthermore, we don't need a study to know the potential impacts of a severance tax on timber would exacerbate the challenges already faced by small landowners and family forest owners. These individuals often operate on narrow profit margins and depend on revenue from timber harvesting to sustain their livelihoods. Introducing additional taxes could impose an undue financial burden on these landowners, making it increasingly challenging for them to manage their forests sustainably.

It is crucial to recognize that Oregon's forestry industry already contributes significantly to state and local government revenue through various taxes and fees associated with timber harvesting and forest management activities. Implementing a severance tax would only serve to further burden an industry that is already disproportionately taxed compared to other sectors.

In conclusion, I urge you to oppose SB 1593. Such a tax is not only inappropriate for taxing a renewable resource like timber but could also have detrimental effects on the forestry industry and the overall economy of the state.

Thank you for considering my testimony on this crucial issue.