

Submitter: Brennan Garrelts  
On Behalf Of: Oregon Forestland owners  
Committee: Senate Committee On Finance and Revenue  
Measure: SB1593

Chair Meek and members of the committee -

I am writing to express my strong opposition to any proposal that would increase taxes on the forestland owners of Oregon. Forestland owners, both small and large alike, already bear a substantial tax burden, contributing significantly to both local and state revenue through various taxes and assessments.

Currently, Oregon Forestland Owners pay fire patrol taxes and assessments on their local property, privilege tax to harvest trees from their property, individual income taxes, and, if they make enough money pay corporate excise and activity Tax. These taxes collectively amount to 5.6% of the entire forest product industry's gross value added (GDP), rising to 6.8% when fire assessments are included, according to FY19 financials.

Comparatively, the tax burdens faced by the forest industry exceed those of other Oregon industries, including agriculture and manufacturing sectors. When considering the overall business tax burden in the state, the forest industry's contributions are notably higher. For instance, taxes and fire assessments total approximately \$15.91 per acre of private forestland, which comprises a significant portion of Oregon's landscape.

Given these substantial tax contributions and assessments already borne by the forest landowners, imposing additional taxes would only serve to further burden an important rural sector critical to Oregon's economy. Such measures could hamper the competitiveness of our state's landowners which compete in a global economy, hinder rural economic growth and investment, and cause landowners to stop growing trees on their lands and instead switch to other industries that are not as healthy for the ecosystem services our state's forestlands provide.

Finally, this bill would disincentivize landowners from actively managing their lands as many would no longer be financially capable of paying the cost to harvest, transport, and replanting their lands. As we have seen on our local federal lands, this would lead to increased wildfire cost, risk and severity, which impacts all Oregonians with smoke, critical wildlife, the clean water we rely on, and rural communities.

In light of these considerations, I urge you to reject SB 1593.

Thank you,

Brennan Garrelts  
ODF's Emergency Fire Cost Committee, Chair