

Oregon Government Affairs • 698 12th St SE • Salem, OR 97301

February 19, 2024

TO: Senate Committee on Finance & Revenue
FROM: Betsy Earls, Weyerhaeuser Government Affairs Mgr.

RE: SB 1593

Dear Chair Meek members of the Senate Finance and Revenue Committee,

I am writing to express Weyerhaeuser's opposition to SB 1593 which proposes to study the implementation of a severance tax on timber in Oregon.

Timber is more than just a crop, it contributes immensely to Oregon's social and environmental well-being. That being said, it is justifiably taxed similarly to other crops in the state. When trees are harvested, processed, and sold, income is generated and taxed just like any other agricultural product. Moreover, forest landowners are taxed based on the real market value of their land, reflecting its primary use for growing and harvesting timber.

Oregon's forestland policy, which prioritizes the preservation of forested areas, has ensured that we have maintained the same amount of forestland over the past century. However, reinstating a severance tax on timber would incentivize the conversion of forestland to other uses, such as residential, industrial, or agricultural. Such conversions will jeopardize the vital environmental contributions provided by forests, including carbon capture, wildlife habitat, clean water, and recreational opportunities.

Severance taxes are typically imposed on "severed resources" like coal and crude oil, not on renewable resources that are planted and cultivated over time. State law mandates the replanting of harvested timber, ensuring the sustainability of our forests for future generations. That makes a severance tax an inappropriate mechanism for timber taxation, and we ask that you oppose the bill.

Please do not hesitate to contact me with any questions.

Betsy Earls
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