



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

Prepared by: Roxanne Adams
Reviewed by: Emily Coates, Kim To, John Borden, April McDonald
Date: May 29, 2025

Bill Title: Relating to forest products harvest taxation; prescribing an effective date; providing for revenue raising that requires approval by a three-fifths majority.

Government Unit(s) Affected: Department of Revenue, Higher Education Coordinating Commission, Judicial Department, Department of Forestry

Summary of Fiscal Impact

Costs related to the measure are anticipated to be minimal - see explanatory analysis.

Measure Description

The measure extends the period for which forest products harvest taxes are imposed and establishes rates for the extended period. The period extends to forest products harvested in calendar years 2026 and 2027. The measure increases the rate of tax for administration of Oregon Forest Practices Act from 253.46 to 265.44 cents per thousand board feet. The forest products harvest taxes are collected by the Department of Revenue (DOR), and actual tax receipts are transferred to the Oregon Department of Forestry (ODF) and the Higher Education Coordinating Commission (HECC) for distribution to Oregon State University College of Forestry on a quarterly basis.

Fiscal Analysis

Department of Forestry

The Legislative Fiscal Office notes that the taxes imposed in this measure are set at a rate to coordinate with the Oregon Department of Forestry's approved budgets and projected harvest levels. All rates are per thousand board feet of merchantable forest products harvested.

The new rate for administration of the Oregon Forest Practices Act takes effect January 1, 2026. From July 1, 2025, through the effective date, the revenue collection is estimated at \$4 million. The revenue collected for the remainder of the biennium is estimated at \$13.6 million, for a total of \$17.6 million in funding to implement the Forest Practices Act during the 2025-27 biennium.

The harvest level forecast for the 2025-27 biennium is projected to be approximately 6.6142 billion board feet and takes into consideration current economic conditions and projected demand.

Other entities

There is a minimal fiscal impact to the Oregon Judicial Department, Department of Revenue, and Higher Education Coordinating Commission.

Relevant Dates

The measure takes effect on the 91st day after sine die.

The new rate of tax for administration of the Oregon Forest Practices Act is effective for tax years 2026 and 2027.