

Submitter: Darlene Chirman  
On Behalf Of:  
Committee: House Committee on Revenue  
Measure, Appointment or Topic: HB3489

Testimony in Support of HB 3489, Reinstatement of the Timber Severance Tax

Chair Nathanson and Members of the House Committee on Revenue:

I urge you to support HB 3489: this bill will reinstate the Timber Severance Tax, that was reduced then ended in the 1990s. This has been a hardship for many timber-dependent rural communities. 40% of the tax revenue will go to the counties where timber is harvested, supporting schools to public safety. In addition, 40% of revenues will go to a newly created Wildfire Management Fund. Wildfires are increasing in severity and frequency as a result of the climate crisis. Costs for fighting wildfires has increased and we must have an ongoing source of funds for fire management.

Oregon currently collects a smaller share of logging profits than our neighboring states of Washington and California. Many of the largest timber owners live outside of the state, and utilize a tax structure of Real Estate Investment Trusts, thus paying no Oregon state income tax; this is our primary source of revenue for Oregon. Reinstating the timber severance tax will remedy this situation.

The bill creates a progressive tax, based on the total forest acreage of the landowner (it does not need to be contiguous). A tax % times the pond value—the price paid at the mill--makes a fair tax structure. Small forestland owners pay 2% if owning 500 acre or less. Landowners of 500-2500 acres, 4%. Over 2500 acres to 5000 acres, 5%. Over 5000 acres 6%. Reductions in the percentage rate are reduced for timber harvests are certified under the Forest Stewardship Council.

I strongly urge the Revenue Committee to pass HB 3489 and move it out of committee. Reinstating the severance tax for timber harvest in Oregon is the right thing to do.

Sincerely, Darlene Chirman, Portland