13505 SE River Rd, #3031 Portland, OR 97222 April 24, 2025

Subject: Timber Severance Tax

Dear Chair, Vice Chairs, and Members of the House Committee on Revenue,

In 1999, Oregon granted Oregon timber companies and individuals, who own more than 5,000 acres of forest land an exemption from paying the timber harvest severance tax. The Oregon Legislative Revenue Office in its 2008 Research Report #5-07 (Oregon's Forestland Revenue - Impacts on State and Local Public Services) states, "Revenue loss associated with repealing the Privilege Tax and lowering the specially assessed values of forest land property is an estimated \$70 million per year."

This tax revenue benefit has caused timber towns and counties to lose billions of tax dollars over the years, resulting in the loss of important government services like library, fire, and police services! The timber companies got huge increases in their profits while the people saw increased taxes and reductions in services, even as they suffered large job losses.

To make matters worse, corporate publicists have diverted the blame for this impoverishment by blaming environmental protection rules regarding the spotted owl, salmon, and other endangered species. In fact, automation within the logging industry had a greater impact on loss of timber-related jobs during the 1990s than environmental regulations. This cover up has helped deepen the so-called rural-urban divide.

I urge you and the legislature to reinstate the severance tax. If you have not already read it, please read this Oregonian/Pro Publica article for more details: <u>Big Money Bought Oregon's</u> <u>Forests Small Timber Communities Are Paying the Price</u>.

Yours truly,

Jeanne

Jeanne Roy