

HOUSE AMENDMENTS TO HOUSE BILL 2588

By COMMITTEE ON REVENUE

July 2

1 On page 1 of the printed bill, delete line 3 and insert “321.005, 321.015, 321.017, 321.145 and
2 321.152”.

3 In line 4, delete “321.824 and 321.991”.

4 Delete lines 7 through 30 and delete page 2.

5 On page 3, delete lines 1 through 29 and insert:

6 “**SECTION 1.** ORS 321.015 is amended to read:

7 “321.015. (1) For the calendar years beginning January 1, 2014, and January 1, 2015, there is
8 levied a privilege tax of 84.39 cents per thousand feet, board measure, upon taxpayers for the priv-
9 ilege of harvesting of all merchantable forest products harvested on forestlands. Subject to ORS
10 321.145, the proceeds of the tax shall be transferred as provided in ORS 321.152 (2) to the Forest
11 Research and Experiment Account for use for the forest resource research, experimentation and
12 studies described in ORS 526.215 and for the Forest Research Laboratory established under ORS
13 526.225.

14 “(2) Except as provided in ORS 477.760, in addition to the tax levied by subsection (1) of this
15 section, there is levied a forest products harvest tax upon taxpayers of 62.5 cents per thousand feet,
16 board measure, for the privilege of harvesting all merchantable forest products harvested on
17 forestlands for the payment of benefits related to fire suppression as provided in ORS 321.005 to
18 321.185, 321.560 to 321.600 and 477.440 to 477.460.

19 “(3) For the calendar years beginning January 1, 2014, and January 1, 2015, in addition to the
20 taxes levied under subsections (1) and (2) of this section, there is levied a privilege tax upon tax-
21 payers for the privilege of harvesting all merchantable forest products harvested on forestlands in
22 the amount of 97.27 cents per thousand feet, board measure, for the purpose of administering the
23 Oregon Forest Practices Act in an amount not to exceed 40 percent of the total expenditures ap-
24 proved by the Legislative Assembly for this purpose, including salary adjustments approved by the
25 Legislative Assembly for fiscal years 2014 and 2015.

26 “(4) For the calendar years beginning January 1, 2014, and January 1, 2015, in addition to the
27 taxes levied by subsections (1) to (3) of this section, there is levied a privilege tax of 10 cents per
28 thousand feet, board measure, upon taxpayers for the privilege of harvesting all merchantable forest
29 products harvested on forestlands. Subject to ORS 321.145, the proceeds of the tax shall be trans-
30 ferred as provided in ORS 321.152 (5) to the subaccount established pursuant to ORS 351.681 for use
31 by Oregon State University for the purpose of making investments in professional forestry education
32 at the College of Forestry.

33 “(5) **In addition to the taxes levied by subsections (1) to (4) of this section, there is levied**
34 **upon taxpayers a tax of \$10 per thousand feet, board measure, for harvesting all**
35 **merchantable forest products harvested on forestlands in this state. Subject to ORS 321.145,**

1 **the proceeds of the tax shall be transferred as provided in ORS 321.152 (6) to the Forestland**
2 **and County Reserve Fund established under section 3 of this 2015 Act.**

3 “[5] (6) Subject to subsection [(6)] (7) of this section, the taxes shall be measured by and be
4 applicable to each per thousand feet, board measure, on the total quantity of forest products har-
5 vested in this state measured by use of any log scale which is or may be in general use in the log-
6 ging industry and which is designed to measure total volume of merchantable forest products in
7 board feet. However, if the Department of Revenue finds that the scale used by any taxpayer in
8 computing the taxes due under ORS 321.005 to 321.185 and 321.560 to 321.600 does not accurately
9 reflect the total quantity of merchantable forest products harvested by the taxpayer, it may require
10 the taxpayer to adopt another log scale in general use in the industry which in the department’s
11 opinion will accurately reflect merchantable harvest in board feet.

12 “[6] (7) The first 25,000 feet, board measure, of forest products harvested annually by any
13 taxpayer during each calendar year shall be excluded from the total quantity of harvested forest
14 products that constitutes the measure of the taxes under ORS 321.005 to 321.185 and 321.560 to
15 321.600.

16 **“SECTION 2.** ORS 321.152 is amended to read:

17 “321.152. (1) Subject to ORS 321.145 (2), moneys remaining in the Department of Revenue’s sus-
18 pense account referred to in ORS 321.145 on February 10, May 10, August 10 and November 10 of
19 each year shall be transferred to the respective appropriation accounts described in subsections (2)
20 to [(5)] (6) of this section.

21 “(2) That part of the moneys derived from taxes levied by ORS 321.015 (1) shall be transferred
22 to the Forest Research and Experiment Account described in ORS 321.185.

23 “(3) That part of the moneys derived from taxes levied by ORS 321.015 (3) shall be transferred
24 to the State Forestry Department Account referred to in ORS 526.060. Notwithstanding ORS 291.238,
25 the moneys transferred to the State Forestry Department Account under this section are appropri-
26 ated continuously for and shall be used by the State Forester, under the supervision and direction
27 of the State Board of Forestry, for the purposes of administering the Oregon Forest Practices Act
28 and the forest practices monitoring program.

29 “(4) That part of the moneys derived from taxes levied by ORS 321.015 (2) shall be transferred
30 to the Oregon Forest Land Protection Fund described in ORS 477.750.

31 “(5) That part of the moneys derived from taxes levied by ORS 321.015 (4) shall be transferred
32 to the subaccount established [*pursuant to*] **under** ORS 351.152.

33 **“(6) That part of the moneys derived from taxes levied by ORS 321.015 (5) shall be**
34 **transferred to the Forestland and County Reserve Fund established under section 3 of this**
35 **2015 Act.**

36 **“SECTION 3.** (1) **The Forestland and County Reserve Fund is established in the State**
37 **Treasury, separate and distinct from the General Fund. Interest earned by the Forestland**
38 **and County Reserve Fund shall be retained by the fund.**

39 **“(2) Moneys are continuously appropriated from the Forestland and County Reserve Fund**
40 **to the Department of Revenue for use in making the following payments:**

41 **“(a) An amount equal to \$5 per thousand feet, board measure, multiplied by the total**
42 **harvest subject to the taxes imposed under ORS 321.015, plus an amount necessary to reim-**
43 **burse the State Forestry Department for the actual costs incurred by the department in**
44 **administering the Forest Fire Reserve Fund established under section 5 of this 2015 Act, to**
45 **be transferred to the Forest Fire Reserve Fund.**

1 “(b) An amount equal to \$1 per thousand feet, board measure, multiplied by the total
2 harvest subject to the taxes imposed under ORS 321.015, to be transferred to the Watershed
3 Conservation Grant Fund established under ORS 541.947.

4 “(3) Moneys in excess of the amounts required for the payments described in subsection
5 (2) of this section, determined as of May 1 of each year, shall be distributed on or before
6 August 15 of each year to each county so that the amount received by each county bears the
7 same proportion to the amount received by all counties as the amount of revenue received
8 from taxes under ORS 321.015 (5) on harvests in the county in the preceding year bears to
9 the total amount of revenue received from taxes under ORS 321.015 (5) on harvests in all
10 counties in the preceding year.

11 “SECTION 4. Section 5 of this 2015 Act is added to and made a part of ORS chapter 477.

12 “SECTION 5. (1) The Forest Fire Reserve Fund is established in the State Treasury,
13 separate and distinct from the General Fund. Interest earned by the Forest Fire Reserve
14 Fund shall be retained by the fund.

15 “(2) All moneys in the Forest Fire Reserve Fund are continuously appropriated to the
16 State Forestry Department to pay costs related to any of the following purposes:

17 “(a) Prevention or suppression of fires on or around forestlands.

18 “(b) Mitigation or repair of damage caused by fires on or around forestlands.

19 “(c) Purchase of vehicles, equipment or other resources that will enhance the ability of
20 the department to carry out the other purposes set forth in this subsection.

21 “(d) Reimbursement to the department for the actual costs incurred by the department
22 in administering the Forest Fire Reserve Fund.

23 “(3) An expenditure may be made from the Forest Fire Reserve Fund only if that ex-
24 penditure cannot be made from the Oregon Forest Land Protection Fund created under ORS
25 477.750 for any of the following reasons:

26 “(a) The moneys in the Oregon Forest Land Protection Fund are insufficient to make the
27 expenditure.

28 “(b) The expenditure is not for a purpose for which the moneys in the Oregon Forest
29 Land Protection Fund are appropriated.

30 “(c) The expenditure would exceed the expenditure limits imposed by ORS 477.755 or is
31 otherwise prohibited by law.

32 “SECTION 6. ORS 321.145 is amended to read:

33 “321.145. (1) The revenue from the taxes levied by ORS 321.005 to 321.185 and 321.560 to 321.600
34 shall be remitted to the State Treasurer who shall deposit it in a suspense account established under
35 the provisions of ORS 293.445.

36 “(2) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary to pay re-
37 funds of the taxes levied under ORS 321.015 (1) to [(4)] (5) hereby is appropriated continuously to
38 the Department of Revenue from the suspense account referred to in subsection (1) of this section,
39 and shall be used by the department for the payment of all refunds of taxes levied under ORS
40 321.015 (1) to [(4)] (5) that have been audited and approved by the department. Any penalties, in-
41 terest and taxes then due from the taxpayer shall be applied in that order in computing any refund,
42 and only the balance due the taxpayer, if any, shall be refunded. The department shall on its records
43 charge each refund against the revenue from the tax with respect to which the refund is made.

44 “SECTION 7. ORS 321.017 is amended to read:

45 “321.017. (1) In addition to the taxes levied under ORS 321.015 (1) to [(4)] (5), there hereby is

1 levied a privilege tax upon taxpayers on the harvesting of all merchantable forest products har-
2 vested on forestlands in the amount provided in subsection (2) of this section.

3 “(2) The rate of tax levied in subsection (1) of this section shall be established annually at the
4 beginning of each calendar year by the board of directors of the institute, at a rate not to exceed
5 75 cents per thousand feet, board measure, on all merchantable forest products harvested on
6 forestlands. The maximum tax rate prescribed by this subsection may be increased by the board of
7 directors in an amount equal to the previous year’s increase in the Consumer Price Index (Portland
8 area -- all items) as published by the Bureau of Labor Statistics of the United States Department
9 of Labor for the Portland, Oregon, area.

10 “(3) The tax shall be measured by and be applicable to each per thousand feet, board measure,
11 and such shall be subject to and determined by the procedures and provisions of ORS 321.015 [(5)
12 and] (6) **and (7)**.

13 “(4) The tax levied by subsection (1) of this section shall be due and payable to the Department
14 of Revenue in the manner and procedure, including penalties and interest, as set forth for the col-
15 lection of the privilege tax in ORS 321.005 to 321.185.

16 “(5) The revenue from the tax levied by subsection (1) of this section shall be remitted to the
17 State Treasurer who shall deposit it in a suspense account established under ORS 321.145 (1). After
18 payment of refunds, which shall be paid in the same manner as other forest products harvest tax
19 refunds are paid in ORS 321.145 (2), the balance of the additional tax imposed under subsection (1)
20 of this section shall be deposited in the Oregon Forest Resources Institute Fund.”.

21 In lines 31 and 32, delete the boldfaced material.

22 On page 4, line 27, delete “and section 2 of this 2015”.

23 In line 28, delete “Act”.

24 Delete lines 37 through 45 and delete pages 5 through 10 and insert:

25 “**SECTION 9. Sections 3 and 5 of this 2015 Act and the amendments to ORS 321.005,**
26 **321.015, 321.017, 321.145 and 321.152 by sections 1, 2, 6, 7 and 8 of this 2015 Act apply to tax**
27 **years beginning on or after January 1, 2016.**

28 “**SECTION 10. This 2015 Act takes effect on the 91st day after the date on which the 2015**
29 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**”.