

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2588**

1 On page 1 of the printed bill, delete line 3 and insert “321.005, 321.015,  
2 321.017, 321.145 and 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 Janu-  
8 ary 1, 2015, there is levied a privilege tax of 84.39 cents per thousand feet,  
9 board measure, upon taxpayers for the privilege of harvesting of all  
10 merchantable forest products harvested on forestlands. Subject to ORS  
11 321.145, the proceeds of the tax shall be transferred as provided in ORS  
12 321.152 (2) to the Forest Research and Experiment Account for use for the  
13 forest resource research, experimentation and studies described in ORS  
14 526.215 and for the Forest Research Laboratory established under ORS  
15 526.225.

16 “(2) Except as provided in ORS 477.760, in addition to the tax levied by  
17 subsection (1) of this section, there is levied a forest products harvest tax  
18 upon taxpayers of 62.5 cents per thousand feet, board measure, for the priv-  
19 ilege of harvesting all merchantable forest products harvested on forestlands  
20 for the payment of benefits related to fire suppression as provided in ORS  
21 321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460.

22 “(3) For the calendar years beginning January 1, 2014, and January 1,

1 2015, in addition to the taxes levied under subsections (1) and (2) of this  
2 section, there is levied a privilege tax upon taxpayers for the privilege of  
3 harvesting all merchantable forest products harvested on forestlands in the  
4 amount of 97.27 cents per thousand feet, board measure, for the purpose of  
5 administering the Oregon Forest Practices Act in an amount not to exceed  
6 40 percent of the total expenditures approved by the Legislative Assembly for  
7 this purpose, including salary adjustments approved by the Legislative As-  
8 sembly for fiscal years 2014 and 2015.

9 “(4) For the calendar years beginning January 1, 2014, and January 1,  
10 2015, in addition to the taxes levied by subsections (1) to (3) of this section,  
11 there is levied a privilege tax of 10 cents per thousand feet, board measure,  
12 upon taxpayers for the privilege of harvesting all merchantable forest pro-  
13 ducts harvested on forestlands. Subject to ORS 321.145, the proceeds of the  
14 tax shall be transferred as provided in ORS 321.152 (5) to the subaccount  
15 established pursuant to ORS 351.681 for use by Oregon State University for  
16 the purpose of making investments in professional forestry education at the  
17 College of Forestry.

18 “(5) **In addition to the taxes levied by subsections (1) to (4) of this**  
19 **section, there is levied upon taxpayers a tax of \$10 per thousand feet,**  
20 **board measure, for harvesting all merchantable forest products har-**  
21 **vested on forestlands in this state. Subject to ORS 321.145, the proceeds**  
22 **of the tax shall be transferred as provided in ORS 321.152 (6) to the**  
23 **Forestland and County Reserve Fund established under section 3 of**  
24 **this 2015 Act.**

25 “[5] (6) Subject to subsection [(6)] (7) of this section, the taxes shall be  
26 measured by and be applicable to each per thousand feet, board measure, on  
27 the total quantity of forest products harvested in this state measured by use  
28 of any log scale which is or may be in general use in the logging industry  
29 and which is designed to measure total volume of merchantable forest pro-  
30 ducts in board feet. However, if the Department of Revenue finds that the

1 scale used by any taxpayer in computing the taxes due under ORS 321.005  
2 to 321.185 and 321.560 to 321.600 does not accurately reflect the total quantity  
3 of merchantable forest products harvested by the taxpayer, it may require the  
4 taxpayer to adopt another log scale in general use in the industry which in  
5 the department's opinion will accurately reflect merchantable harvest in  
6 board feet.

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

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

12 “321.152. (1) Subject to ORS 321.145 (2), moneys remaining in the Depart-  
13 ment of Revenue's suspense account referred to in ORS 321.145 on February  
14 10, May 10, August 10 and November 10 of each year shall be transferred to  
15 the respective appropriation accounts described in subsections (2) to [~~(5)~~] (6)  
16 of this section.

17 “(2) That part of the moneys derived from taxes levied by ORS 321.015 (1)  
18 shall be transferred to the Forest Research and Experiment Account de-  
19 scribed in ORS 321.185.

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

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

1       “(5) That part of the moneys derived from taxes levied by ORS 321.015 (4)  
2 shall be transferred to the subaccount established [*pursuant to*] **under** ORS  
3 351.152.

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

7       “**SECTION 3. (1) The Forestland and County Reserve Fund is es-**  
8 **tablished in the State Treasury, separate and distinct from the General**  
9 **Fund. Interest earned by the Forestland and County Reserve Fund**  
10 **shall be retained by the fund.**

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

14       “(a) An amount equal to \$5 per thousand feet, board measure,  
15 multiplied by the total harvest subject to the taxes imposed under ORS  
16 **321.015, plus an amount necessary to reimburse the State Forestry**  
17 **Department for the actual costs incurred by the department in ad-**  
18 **ministering the Forest Fire Reserve Fund established under section 5**  
19 **of this 2015 Act, to be transferred to the Forest Fire Reserve Fund.**

20       “(b) An amount equal to \$1 per thousand feet, board measure,  
21 multiplied by the total harvest subject to the taxes imposed under ORS  
22 **321.015, to be transferred to the Watershed Conservation Grant Fund**  
23 **established under ORS 541.947.**

24       “(3) Moneys in excess of the amounts required for the payments  
25 described in subsection (2) of this section, determined as of May 1 of  
26 each year, shall be distributed on or before August 15 of each year to  
27 each county so that the amount received by each county bears the  
28 same proportion to the amount received by all counties as the amount  
29 of revenue received from taxes under ORS 321.015 (5) on harvests in  
30 the county in the preceding year bears to the total amount of revenue

1 received from taxes under ORS 321.015 (5) on harvests in all counties  
2 in the preceding year.

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

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

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

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

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

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

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

19 **“(3) An expenditure may be made from the Forest Fire Reserve  
20 Fund only if that expenditure cannot be made from the Oregon Forest  
21 Land Protection Fund created under ORS 477.750 for any of the fol-  
22 lowing reasons:**

23 **“(a) The moneys in the Oregon Forest Land Protection Fund are  
24 insufficient to make the expenditure.**

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

27 **“(c) The expenditure would exceed the expenditure limits imposed  
28 by ORS 477.755 or is otherwise prohibited by law.”.**

29 **“SECTION 6. ORS 321.145 is amended to read:**

30 **“321.145. (1) The revenue from the taxes levied by ORS 321.005 to 321.185**

1 and 321.560 to 321.600 shall be remitted to the State Treasurer who shall  
2 deposit it in a suspense account established under the provisions of ORS  
3 293.445.

4 “(2) Notwithstanding the provisions of ORS 291.238, the amount of moneys  
5 necessary to pay refunds of the taxes levied under ORS 321.015 (1) to [(4)]  
6 (5) hereby is appropriated continuously to the Department of Revenue from  
7 the suspense account referred to in subsection (1) of this section, and shall  
8 be used by the department for the payment of all refunds of taxes levied  
9 under ORS 321.015 (1) to [(4)] (5) that have been audited and approved by the  
10 department. Any penalties, interest and taxes then due from the taxpayer  
11 shall be applied in that order in computing any refund, and only the balance  
12 due the taxpayer, if any, shall be refunded. The department shall on its re-  
13 cords charge each refund against the revenue from the tax with respect to  
14 which the refund is made.

15 **“SECTION 7.** ORS 321.017 is amended to read:

16 “321.017. (1) In addition to the taxes levied under ORS 321.015 (1) to [(4)]  
17 (5), there hereby is levied a privilege tax upon taxpayers on the harvesting  
18 of all merchantable forest products harvested on forestlands in the amount  
19 provided in subsection (2) of this section.

20 “(2) The rate of tax levied in subsection (1) of this section shall be es-  
21 tablished annually at the beginning of each calendar year by the board of  
22 directors of the institute, at a rate not to exceed 75 cents per thousand feet,  
23 board measure, on all merchantable forest products harvested on forestlands.  
24 The maximum tax rate prescribed by this subsection may be increased by the  
25 board of directors in an amount equal to the previous year’s increase in the  
26 Consumer Price Index (Portland area -- all items) as published by the Bureau  
27 of Labor Statistics of the United States Department of Labor for the  
28 Portland, Oregon, area.

29 “(3) The tax shall be measured by and be applicable to each per thousand  
30 feet, board measure, and such shall be subject to and determined by the

1 procedures and provisions of ORS 321.015 [(5) and] (6) **and (7)**.

2 “(4) The tax levied by subsection (1) of this section shall be due and  
3 payable to the Department of Revenue in the manner and procedure, includ-  
4 ing penalties and interest, as set forth for the collection of the privilege tax  
5 in ORS 321.005 to 321.185.

6 “(5) The revenue from the tax levied by subsection (1) of this section shall  
7 be remitted to the State Treasurer who shall deposit it in a suspense account  
8 established under ORS 321.145 (1). After payment of refunds, which shall be  
9 paid in the same manner as other forest products harvest tax refunds are  
10 paid in ORS 321.145 (2), the balance of the additional tax imposed under  
11 subsection (1) of this section shall be deposited in the Oregon Forest Re-  
12 sources Institute Fund.”.

13 In lines 31 and 32, delete the boldface material.

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

15 In line 28, delete “Act”.

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

17 **“SECTION 9. Sections 3 and 5 of this 2015 Act and the amendments**  
18 **to ORS 321.005, 321.015, 321.017, 321.145 and 321.152 by sections 1, 2, 6, 7**  
19 **and 8 of this 2015 Act apply to tax years beginning on or after January**  
20 **1, 2016.**

21 **“SECTION 10. This 2015 Act takes effect on the 91st day after the**  
22 **date on which the 2015 regular session of the Seventy-eighth Legisla-**  
23 **tive Assembly adjourns sine die.”.**

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