

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	HB 3468
Revenue Area:	Timber
Economist:	Mary Ayala
Date:	5/3/2007

Measure Description: Creates a privilege tax of 2 cents per thousand board feet of merchantable forest products for the purpose of administering the Oregon smoke management plan in an amount not to exceed 40% of the total expenditures approved by the Legislative Assembly for this purposes. Applies to the Forest Products Harvest Tax reporting periods beginning on or after January 1, 2008. In addition, and not in lieu of other appropriations, there is appropriated to the State Forestry Department for the purpose of forest smoke management, \$240,000 for the biennium beginning July 1, 2007. Takes effect 91 days after sine die.

Revenue Impact:

\$	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund	0	0	0	0
State Other Funds	+21,500	+86,000	+107,500	+172,000
Local Government	0	0	0	0
Local School Districts	0	0	0	0

Impact Explanation: The Department of Forestry estimates 4.3 billion board feet will be harvested in the current calendar year (i.e., at the proposed \$.02 per thousand board feet, the revenue will equal roughly \$86,000 per calendar year). It is assumed that this harvest level will remain unchanged over the forecast period. The tax that is owed at time of harvest in one calendar year is due by January 31st of the following calendar year. However, quarterly estimated payments begin in April of the 'harvest' year. Therefore, the proposed tax will have its initial impact in the last quarter of FY0708.

State Capitol Building
900 Court St NE, Room H-197
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>