

74TH OREGON LEGISLATIVE ASSEMBLY  
STAFF MEASURE SUMMARY  
SENATE FINANCE & REVENUE COMMITTEE

MEASURE: HB 3364-A  
CARRIER: Sen. Beyer

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

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Action: Do pass the A-engrossed bill

Vote: 5-0-0

Yeas: Burdick, G. George, Monroe, Starr, Deckert

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 6/21

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**WHAT THE BILL DOES:** Expands the reforestation credit against personal income and corporate excise and income taxes to include in the base costs certain fees established by the State Forester. The eligible fees are those imposed by the State Forester to cover the necessary expenses incurred during the inspection and certification activities related to the reforestation program. Applies to tax years beginning on or after January 1, 2008. Sunsets the credit on December 31, 2022. Repeals the credit on January 2, 2028.

**ISSUES DISCUSSED:**

- Reforestation program
- As per committee rules, the following metric was adopted for evaluating the credit:
  - Number of acres reforested under the program

**EFFECT OF COMMITTEE AMENDMENTS:** None

**BACKGROUND:**

The reforestation credit was created in 1979 and is equal to 50% of the qualified costs of reforesting underproductive commercial forestland. Eligible costs include site preparation, tree planting, and silviculture treatments, such as moisture, erosion and animal damage control. The taxpayer must own or lease at least 5 acres of Oregon commercial forestland and contribute at least \$500 to the project costs. In tax year 2005, roughly 175 personal income tax filers claimed total credits of \$365,000. Collectively they were able to reduce their liability by \$335,000, or \$2,000 per taxpayer. Very few corporations have used this credit.

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*This summary has not been adopted or officially endorsed by action of the committee.*