

Senate Bill 1000

Sponsored by COMMITTEE ON COMMERCE (at the request of Jordan Rash)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes tax credit for forestland owner who has tree stand for required number of years. Limits amount of credit based on age of trees. Allows thinning of tree stand if approved by State Forestry Department.

Applies to tax years beginning on or after January 1, 2008.

A BILL FOR AN ACT

1
2 Relating to taxation.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Sections 2 and 3 of this 2007 Act are added to and made a part of ORS**
5 **chapter 315.**

6 **SECTION 2. (1) A credit against the taxes otherwise due under ORS chapter 316, or under**
7 **ORS chapter 317 or 318 if the taxpayer is a corporation, is allowed to a forestland owner that**
8 **has a tree stand that is planted and managed in accordance with the Oregon Forest Practices**
9 **Act.**

10 **(2) To qualify for a credit under this section, the taxpayer must have a tree stand that**
11 **is:**

12 **(a) On no less than 50 acres of property owned by the taxpayer; and**

13 **(b) 55 years of age or older.**

14 **(3) The amount of the credit allowed under this section shall be equal to:**

15 **(a) 0.5 percent of the combined state and federal income tax liability for the tax year for**
16 **which the credit is received if the tree stand is 55 years of age or older, but younger than**
17 **65 years of age.**

18 **(b) 1.25 percent of the combined state and federal income tax liability for the tax year for**
19 **which the credit is received if the tree stand is 65 years of age or older, but younger than**
20 **90 years of age.**

21 **(c) 2.25 percent of the combined state and federal income tax liability for the tax year for**
22 **which the credit is received if the tree stand is 90 years of age or older, but younger than**
23 **100 years of age.**

24 **(d) 4 percent of the combined state and federal income tax liability for the tax year for**
25 **which the credit is received if the tree stand is 100 years of age or older.**

26 **(e) 0.5 percent of the combined state and federal income tax liability for the tax year for**
27 **which the credit is received if the taxpayer:**

28 **(A) Harvested the tree stand after the tree stand was 65 years of age or older; and**

29 **(B) Replanted the tree stand within one year of harvest and the tree stand was planted**
30 **in accordance with the Oregon Forest Practices Act.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (4) If the taxpayer receives approval from the State Forestry Department, a taxpayer
2 may conduct selective thinning of the tree stand for the purpose of the ecological health of
3 the tree stand. The department may grant approval if the plan for thinning, to the greatest
4 extent possible, has a low impact on the land and trees.

5 (5) A taxpayer that receives a credit under this section must have a written certification
6 issued under section 3 of this 2007 Act that accompanies the claim for the credit, or that
7 otherwise is filed with the Department of Revenue, and states that the tree stand meets the
8 requirements of this section.

9 (6)(a) A nonresident taxpayer shall be allowed the credit provided under this section
10 computed in the same manner and subject to the same limitations as the credit allowed to
11 a resident of this state, but the credit shall be prorated using the proportion provided in ORS
12 316.117.

13 (b) If a change in the tax year of a taxpayer occurs as described in ORS 314.085, or if the
14 Department of Revenue terminates the taxpayer's tax year under ORS 314.440, the credit
15 allowed by this section shall be prorated or computed in a manner consistent with ORS
16 314.085.

17 (c) If a change in the status of a taxpayer from resident to nonresident or from nonres-
18 ident to resident occurs, the credit allowed by this section shall be determined in a manner
19 consistent with ORS 316.117.

20 **SECTION 3.** (1) A taxpayer claiming the credit provided under section 2 of this 2007 Act
21 shall file a written request with the State Forester for a certificate. The request shall con-
22 tain:

23 (a) Information that is required by the State Forester by rule; and

24 (b) Payment of any fee required by the State Forester by rules adopted under subsection
25 (4) of this section.

26 (2) The State Forester, in consultation with the State Department of Fish and Wildlife,
27 shall adopt by rule criteria for allowing a taxpayer to conduct selective thinning of tree
28 stands for which the taxpayer receives a credit under section 2 of this 2007 Act.

29 (3) The State Forester may establish by rule a fee for filing a written request for a cer-
30 tificate under this section. The fee shall be adequate to recover the costs incurred by the
31 State Forestry Department in administering this section.

32 (4) Moneys collected from fees established by the State Forester under rules adopted
33 under this section shall be deposited in the State Forestry Department Account to be used
34 for the purposes of administering this section.

35 **SECTION 4.** Section 2 of this 2007 Act applies to tax years beginning on or after January
36 1, 2008.