

**From:** [David Bean](#)  
**To:** [Longacre Julia](#)  
**Subject:** Testimony for Joint Tax Credits hearing of 5.23.2011  
**Date:** Wednesday, May 25, 2011 11:15:43 AM

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Madam Chair and Members of the Senate Revenue Committee:

These are my comments concerning the rewriting of the Oregon estate tax which I shall preface with a brief tract from the Oregon Constitution:

Article IX, Section 6 of the Oregon Constitution states:

"Whenever the expenses, of any fiscal year, shall exceed the income, the Legislative Assembly shall provide for levying a tax, for the ensuing fiscal year, sufficient, with other sources of income, to pay the deficiency, as well as the estimated expense of the ensuing fiscal year."

I am no legalist, but I am a citizen and veteran who swore an oath to protect the constitution, and I wish to see both the US and Oregon constitution honored in fact and deed. (It says nothing about "revenue neutral" in a \$4 Billion deficit hole.)

I am both a carpenter and resource economist and my motivation is to increase prosperity for all Oregonians for the remainder of my life. These are my comments:

- 1) Pay the bills for education, public safety and human services, and do it fairly.
- 2) A billionaire is an indication of a broken tax system; if "all men are created equal" under the law is to have any meaning. Today billions can be passed on intergenerationally through life insurance policies and trusts. Does the estate tax rewrite address this? I believe not. To reverse the trend of concentration of wealth at the top is to increase prosperity of all Oregonians.
- 3) To tie Oregon law with the federal law is to fix estate planning to a bouncing ball. Why? Every two years federal estate tax law is changed in order to induce the very wealthy to contribute to politics to preserve their wealth. It is a party ritual, and additionally a CPA and lawyer employment act... an attack on the land rich / cash poor.
- 4) The preservation of woodlands intergenerationally is a knotty issue. A healthy douglas fir grows more fiber next year **that** this Every year until it reaches 175 years at a minimum. Oregon is healthy Doug fir country. Relying on family culture alone to preserve trees to their maturity is dreamland at best given a 50% divorce rate and an optimal rotation of 175 years. The forestry resource of Oregon is a world standard and its engine is the soil. Ransacking Oregon soil by clearcutting on 30 or 40 year rotations is NOT protecting Oregon's legacy. It is in fact irresponsible, clearcutting being the ecological equivalent of a forest fire. Oregon's current forest policy is a slow version of slash and burn yet is required by financial pressures. This can only be handled by a farsighted estate tax policy. The current proposal ignores fire fighting costs (both fiscal and global) and puts no value on big trees for stopping fire.

While at first glance forestry may seem off the point of the estate tax, but this is the only handle into this policy issue that has more impact on global climate change than reducing automobile mileage, a forest fire injecting more carbon into the air in

minutes than autos do in years.

Additionally, from an economic standpoint, old wood is much more stable and therefore valuable than the current trash that is sold as wood and must be ground up and glued together to be made useful. Key term: Value Added.

5) To create a forest culture where the soil is kept optimal and fire is used to discipline the forest and not destroy it takes big old trees and that policy must be enacted through the estate tax.....and for Douglas Fir that is a 175 year time horizon. Finances currently prohibit that long a time horizon, yet a tree puts on more fiber this year than last every year for 175 years. Thick bark resists fire. Then why cut it down early? Because of financial need, the shortness of a man's life, and fear of fire.

All the forestry details are handled in the book: The Forest and the Trees, by Gordon Robinson. He managed Southern Pacific Rail Road's huge holdings in fire prone California for nearly 30 years and every year had more wood standing and also removing a larger cut. More money in your pocket and more money in the bank. Plus he used fire to Increase the value of the timber. With a farsighted state policy we can emulate those results.

Yours,

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I do have an individual comment for the well named Senator Morse. Oregon is one of the most beautiful states in the union and is located in the center of the Pacific coast. To worry about people moving away from friends and beauty due to taxes that happen to you after you die is a little silly. To talk about making tax rates "competitive" with other states when we have a \$4 Billion deficit is putting your thinking cap on backwards. People will move to Arizona if their joints hurt. If I were named Senator Morse, I would be proud of our state, and I would read some of the clear thinking of my namesake that made him the tiger of the senate.