

**REVENUE:** Revenue statement issued

**FISCAL:** Fiscal statement issued

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<b>Action:</b>	Do Pass and Be Referred to the Committee on Revenue by prior reference
<b>Vote:</b>	8 - 0 - 0
<b>Yeas:</b>	Boone, Cowan, Esquivel, Johnson, Schaufler, Sprenger, Clem, Jenson
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Beth Herzog, Administrator
<b>Meeting Dates:</b>	3/4

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**WHAT THE MEASURE DOES:** Establishes privilege tax of \_\_\_ cents per thousand feet, board measure, on taxpayers for privilege of harvesting all merchantable forest products harvested on forestlands for calendar years beginning January 1, 2012 and January 1, 2013 and transfers proceeds to Forest Research and Experimental Account. Establishes privilege tax of \_\_\_ cents per thousand feet, board measure, on taxpayers for privilege of harvesting all merchantable forest products harvested on forestlands for calendar years beginning January 1, 2012 and January 1, 2013 for purpose of administering Oregon Forest Practices Act. Eliminates temporary privilege tax for providing funding field administration of Oregon Forest Practices Act. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Shared responsibility between general public and forest landowners
- Process for determining tax rates
- Historical harvest levels

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Forest Products Harvest Tax is levied on a per-thousand-board-feet basis when timber is harvested. Specific segments of the tax provide funds for a variety of services, including the Department of Forestry's (Department) fire protection program, operation of the Oregon Forest Resources Institute, Oregon State University (OSU) forestry research, and the Department's administration of the Oregon Forest Practices Act. This concept would amend ORS 321.015 to set the rates for the segments of the tax related to the OSU and Forest Practices Act functions. Rates for other segments of the tax are addressed elsewhere in statute or in the budget development process.