

PRELIMINARY STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Fiscal: No Fiscal Impact

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates:

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WHAT THE MEASURE DOES:

HB 2455 levies a privilege tax on the harvesting of merchantable forest products harvested on forestlands. The bill sets the effective rates for a two calendar year period and those rates are applied to the harvested products by the thousand board feet, with the first 25,000 board feet harvested annually by any taxpayer excluded. There are four individual rates contained in the measure providing funding for the following purposes:

- Oregon State University Forest Research
- Fire Suppression Activities
- Administration of the Forest Practices Act
- Oregon State University Professional Forestry Education

ISSUES DISCUSSED:

- Existing tax rates
- Estimated biennial revenues

EFFECT OF COMMITTEE AMENDMENT:

The amendment includes the change in the applicable tax year from 2014 and 2015 to 2016 and 2017 where required and replaces the blank in the following lines with the following amounts.

Line 7, 90.00 (Forest Research Lab)

Line 21, 110.37 (Administration of the Forest Practices Act)

Line 27, 10.00 (OSU Forestry Education)

BACKGROUND:

Privilege taxes for the harvest of forest products go to the various accounts described above, for the purposes of forest management, fire suppression, forest research and experimentation, and administration and enforcement of the Oregon Forest Practices Act. Under current statute, rates of privilege tax for calendar year 2014 and 2015 are as follows:

84.39 cents per thousand board feet – Forest Research and Experiment Account to be used for the State Board of Higher Education to conduct research and experimentation programs and to operate the Forest Research Laboratory

62.5 cents per thousand board feet – Oregon Forest Land Protection Fund to be used for fire protection

97.27 cents per thousand board feet – State Forestry Department Account for the state forester to administer the Forest Practices Act

10.0 cents per thousand board feet - Professional Forestry Educational Program at OSU