

STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date: 04/23/15

Action: Without Recommendation As To Passage, Refer To Ways And Means By Prior Reference.

Meeting Dates: 03/30, 04/23

Vote:

Yeas: 6 - Bentz, Davis, Johnson, Lininger, Read, Vega Pederson

Exc: 3 - Barnhart, Smith Warner, Whitsett

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WHAT THE MEASURE DOES:

Extends privilege taxes on merchantable forest products harvested on forestlands. Will set harvest tax rates for calendar years beginning January 1, 2016 and January 1, 2017. Will set a rate for the purposes of administering the Oregon Forest Practices Act. Will set a rate for funds that are transferred into the Forest Research and Experiment Account and the Oregon University System Fund subaccount for professional forestry education.

ISSUES DISCUSSED:

- The uses of the funds for the administration of the Oregon Forest Practices Act
- Industry agreement to pay the harvest tax in exchange for management activities

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

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 Oregon Forest Practices Act

The measure sets rates for the Forest Research and Experiment Account and the Administration of the Oregon Forest Practices Act.