

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office

Bill Number: HB 2270 - A
Revenue Area: Timber Taxes
Economist: Christine Broniak
Date: 7-1-2017

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Extends privilege taxes on merchantable forest products harvested on forestlands.

Revenue Impact (in \$Millions):

	FY 2018	FY 2019	2017-19	2019-21	2021-23
Forest Research and Experiment Account	\$0.75	\$3.56	\$4.32	\$2.81	\$0.00
Oregon Forest Practices Act Administration	\$1.31	\$6.20	\$7.51	\$4.90	\$0.00
Oregon State University College of Forestry Professional Forestry Education	\$0.08	\$0.40	\$0.48	\$0.31	\$0.00

Impact Explanation:

The measure sets the Forest Products Harvest Tax Rates for calendar years 2018 and 2019. The projected 2018 and 2019 harvest is 3.958 million board feet (mbf) and 3.965 million board feet (mbf), respectively. The rate for the Forest Research and Experiment Account remains at 90 cents per mbf. The measure sets the rate for the Oregon Forest Practices Act Administration for 2018 and 2019 to \$1.5661 per mbf from the 2016 and 2017 value of \$1.1037 per mbf. The measure extends the 10 cent per mbf for professional forestry education at Oregon State University.

The measure modifies the cap for the charge on harvest that supports the Oregon Forest Resources Institute (OFRI) to 75 cents in 1991, adjusted annually for inflation. This change alone does not have a revenue impact. The first reason for this is that the Oregon Forest Resources Institute is not a governmental entity. The second is that the measure does not, by itself, set the rates of assessment to support OFRI.

Creates, Extends, or Expands Tax Expenditure: Yes No