



# Oregon

Kate Brown, Governor

Department of Revenue

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## **SB 81 – Timber Tax Return Due Date**

### **Background**

Timber tax returns are currently required to be filed by January 31<sup>st</sup> for taxes on the preceding calendar year's harvest. The final payment is also due by January 31<sup>st</sup> with the return. The timber tax returns include Forest Products Harvest Tax (FPHT) and Western and Eastern Oregon Small Tract Severance taxes (WOST and EOST, respectively). The January 31<sup>st</sup> return deadline creates a multitude of complications.

Harvesting continues up to December 31<sup>st</sup> then the taxpayer will often have to wait two to three weeks in order to receive the scale reports or harvest summaries from the mill for the pay period (based on December harvest). The taxpayer could have as little as one to two weeks to then file the return and make the final payment after all the needed information can be gathered.

Many timber tax filers do not file every year. They may only have a taxable harvest once in their lifetime, or once every five or ten years. They often don't know the due date and assume the taxes are due with income tax returns on April 15<sup>th</sup>. They put off dealing with them until it comes time to file income tax returns only to find out that they are late (after Jan 31<sup>st</sup>) and subject to penalties and interest. More penalties equates to more correspondence and DOR workload to handle waiver requests.

The concept changes the filing due date to April 15<sup>th</sup> in ORS 321.045 for FPHT, and ORS 321.741 for WOST and EOST. The concept also moves the payment due date to April 15<sup>th</sup>, but leaves final payment for quarterly payment taxpayers due by January 31<sup>st</sup>.

### **Stakeholder Outreach**

The DOR has worked with county assessors, the Oregon Department of Forestry, the Oregon Small Woodlands Association (OSWA), and private tax practitioners in the field.

### **Agency Contact**

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