

SB 81 STAFF MEASURE SUMMARY

Carrier: Rep. Reschke

House Committee On Revenue

Action Date: 05/29/19

Action: Do Pass.

Vote: 6-0-1-0

Yeas: 6 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith G

Exc: 1 - Smith Warner

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Jaime McGovern, Economist

Meeting Dates: 3/12, 5/29

WHAT THE MEASURE DOES:

Aligns Timber Tax deadline with income tax returns (April 15) for small or infrequent harvesters. Moves the payment date for harvesters who expect to incur a liability of less than \$1,500. Leaves unchanged the filing date for large frequent harvesters. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- How harvesters are currently notified.
- Familiarity with federal tax date.
- Consistency with current practice for large harvesters.
- Administrative burden and smoothing.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

This bill aligns timber tax deadline with income tax returns (April 15). Timber tax returns are currently required to be filed by January 31st for taxes on the preceding calendar year's harvest. The final payment is also due by January 31st 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).

Many timber tax filers do not file returns every year. They may have a taxable harvest very infrequently or just once in their lifetime. Current January 31st return deadline creates a multitude of complications for such taxpayers with small liability and the Oregon Department of Revenue. Timber owners who harvest large amounts and frequently would still make quarterly payments.