

LC 251 Forest Products Harvest tax renewal: summary

Objectives: Continue the harvest tax without major changes in structure of tax, begin discussion on next rate update earlier in the legislative process, continue conversation about how the tax works, and incorporate an additional component negotiated in the Private Forest Accords.

Components of the bill:

- A. Establish tax rates for two years for the three components that expired at end of 2021.ⁱ

To establish the rates proposed in the bill, I asked LRO to provide the numbers, i.e. how they would have filled in blank lines to set a rate for this year.

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|-------------------------------|----------|-----------------------------------|
| 1. Forest Research Lab (OSU): | \$1.0249 | (rate when tax expired: \$0.90) |
| 2. Forestry Education (OSU): | \$.1000 | (rate when tax expired: \$0.10) |
| 3. Forest Practices: | \$2.0702 | (rate when tax expired: \$1.3872) |

- B. Make the process more transparent: begin discussion of tax rates earlier in the session, in public hearings, rather than waiting to fill in the “blanks” sent from Revenue Committee to JWM, appearing first at end of May or in June.
- C. Direct LRO to prepare a study of the harvest tax, so that it can be reviewed in 2023. That review could include both process issues and the structure of the tax.
- D. Establish a new component of the tax to achieve objectives outlined in Private Forest Accord. The date effective, size and use of Mitigation Fund, and rates are calculated according to the agreement.

ⁱ For comparison, the total of these three components is \$3.19. The total of those components in HB 2434 (2021) with Senate amendment: .90, .21, 2.07 for a total of \$3.18. For HB 2070 (2021): \$3.18 allocated accordingly as .90, .21, 2.07.