

### Timber Tax Fairness

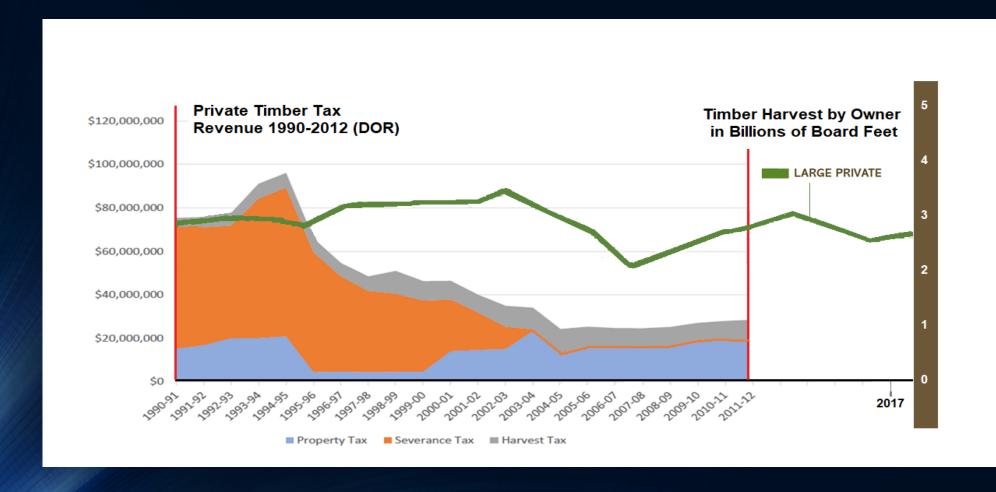
#### Compared to Washington State

- Oregon has 39% more forestland
- With 46% more trees harvested
- But our severance tax the Harvest Tax collects only 1/3 of what Washington's collects

#### Compared with Washington State

- Oregon has 31% more acres of unimproved forestland
- Produces 34% more harvested timber
- Valued at 97% more
- Yet we collect 56% less per acre in property and severance taxes

#### Taxes on timber have shrunk



#### Distribution of severance tax revenues

#### Washington's Severance Tax

- 80% to the counties
- 20% to the state

#### Oregon's Harvest Tax on timber

- o% to counties
- o% to the state
- 100% to timber-related funds

#### Where Oregon Harvest Tax revenue goes

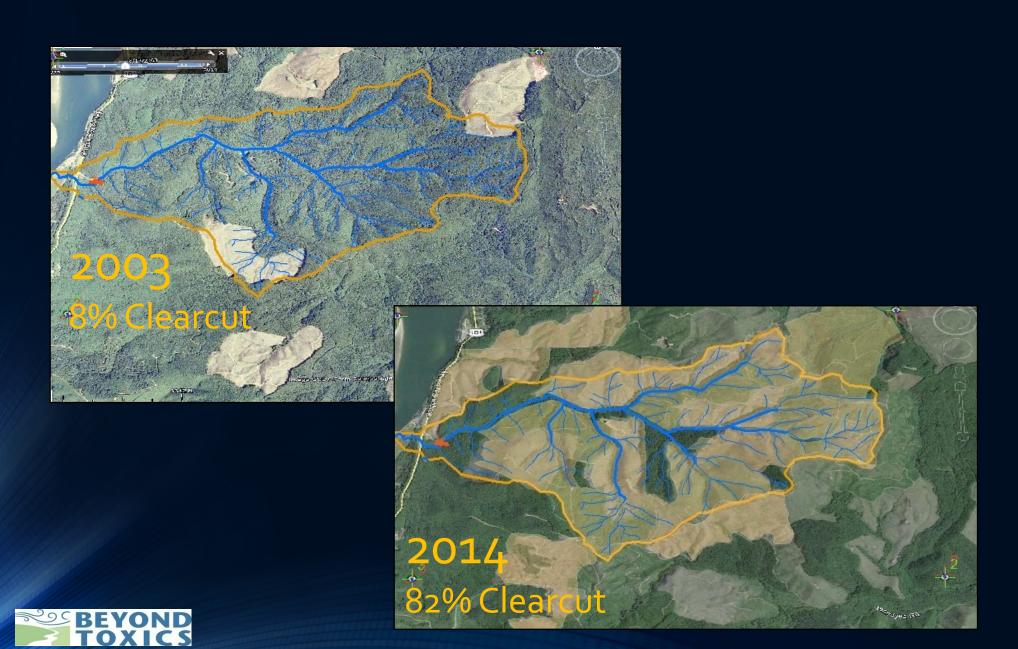
- Oregon Forest Resources Institute
- Department of Forestry
- OSU for the Forest Research Lab and for timber education
- Fire fighting fund

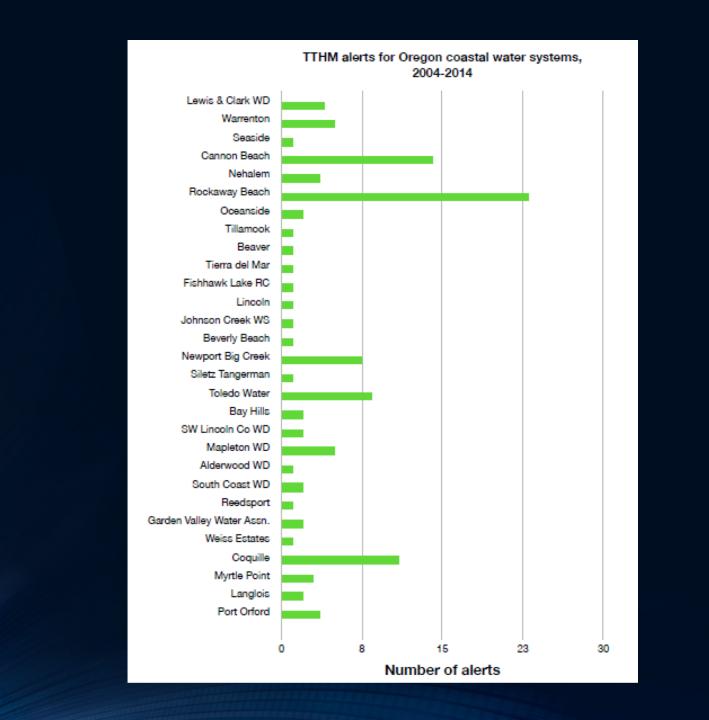
## Here are some questions for a workgroup to address:

- One severance tax or two
- Based on board feet or value
- With what tax rates
- How to invest the revenue, and who should manage the spending
- How often to revisit the tax rates
- Should we encourage and support better forest practices with tax rates and if so, how
- Whether some of our tax breaks for homesites, machinery, forest roads, and small holdings of forestland as homesites are essential
- Whether our enforcement and penalties are appropriate
- What to do about OFRI



#### Jetty Creek -- Watershed for Rockaway Beach



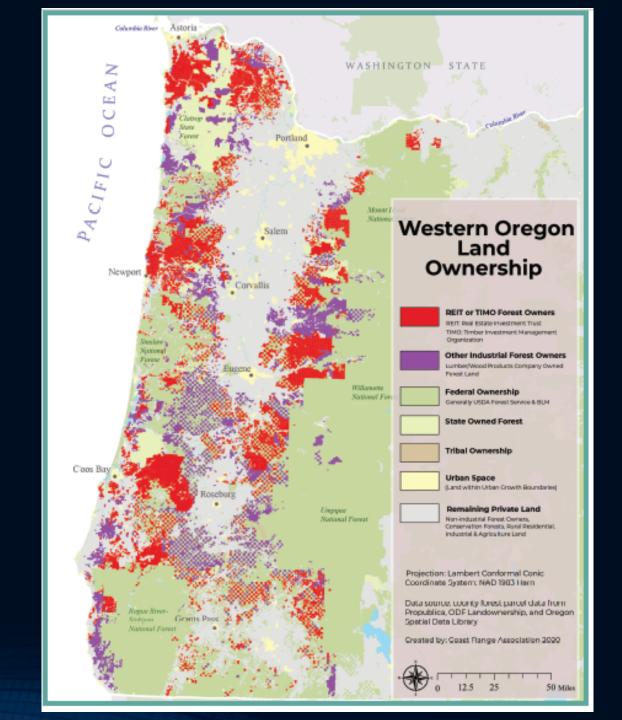








# Who owns Private Timber lands?



#### **OREGON TIMBER HARVEST BY OWNER**

