

**HB 2389 STAFF MEASURE SUMMARY**

**House Committee On Agriculture and Natural Resources**

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**Prepared By:** Stuty Maskey, LPRO Analyst

**Sub-Referral To:** House Committee On Revenue

**Meeting Dates:** 2/25, 3/2

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**WHAT THE MEASURE DOES:**

Makes permanent taxes levied upon taxpayers for privilege of harvesting merchantable forest products on forestlands. Directs tax rates be adjusted annually for inflation since 2020 based on Consumer Price Index for All Urban Consumers, West Region, as published by Bureau of Labor Statistic of the United States Department of Labor. Makes taxes on the merchantable forest products harvested on forestlands applicable on or after January 1, 2022. Takes effect on 91<sup>st</sup> day following adjournment sine die.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Oregon Legislature and the Oregon Forest Resources Institute board of directors develop the Forest Product Harvest Tax rate that is applied to timber harvested from any private or government-owned land in Oregon, except most tribal lands.

HB 2389 would make permanent taxes levied upon taxpayers for privilege of harvesting merchantable forest products harvested on forestlands and provide for annual adjustment of tax rates for inflation.