

Testimony to the House Committee on Revenue
RE:HB 2379 Timber Harvest Severance Tax

Chair Nathanson, Vice Chairs Pham and Reschke,

I was shocked by the articles published by OPB and the Oregonian last year on how the timber harvest tax was phased out in the 1990s and how that has led to the loss of about \$3 billion to support mostly rural counties and communities in our state. This led to significant reduction of services in more rural counties with loss of revenue to pay for libraries, schools, roads, law enforcement, water protection, etc.

We need to reinstitute a timber harvest severance tax to ensure that the primary owners of private forest lands in Oregon, mostly Real Estate Investment Trusts and Timber Investment Management Operations, who do not pay corporate or personal income tax or excise tax in Oregon, pay their fair share.

HB 2379 reinstates the severance tax, which I strongly support, but it needs to be improved as follows:

- Raise the percentage of revenue that returns to help counties rather than predominantly for wildfire management. New amendments will send the funding back to counties to spend as they wish – which is good.
- Large profitable corporate and investment timber landowners need to pay significantly more taxes than small individual woodland owners (less than 2500 acres).
- It should create tax incentives for climate-smart and resource-protecting forestry practices such as Forest Stewardship Certification and even for lengthening logging rotations to 80 years or more.

I urge members of the Revenue committee to revise the bill with more focus on these recommendations.

Sincerely,

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