



The League of Women Voters of Oregon is a 101-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

April 7, 2021

To: [Rep. Nathanson](#), House Revenue, Chair
[Members of the House Revenue Committee](#)

Re: [HB 2070](#) - Forest Products Harvest Tax - **Comments**

The League of Women Voters of Oregon has several criteria for evaluating taxes and tax systems, and one of them recognizes the individual's responsibility for government services by providing for broad sharing of the tax burden, and that it be equitable, adequate, stable, easy to administer and as simple as possible.

HB 2070 continues the tradition of requiring the Oregon Legislature to approve the Forest Products Harvest Tax (FPHT) every two years. The LWVOR believes that any tax bill should not have to be reinstated every biennium, and we do not understand why this tax is an exception. The bills proposed by Rep. Marsh (HB 2389) and Rep Nathanson (HB 2430) wanted to end the tax review every two years, and we support that idea. LWV thinks that this bill should be amended to adjust the rate annually indexed to inflation, with a six-year review similar to other taxes.

We would also like to point out that \$4.13 per thousand board feet (MBF volume) on lumber worth between \$650-\$750 MBF in western timber prices over the past several years is a very low tax to pay. Today, lumber prices are running in the \$1000 range. \$4.13 on \$1000 is less than half a percent rate collected on the FPHT. This kind of preferential tax treatment for the industrial timber industry over the years needs to be re-examined.

To help legislators prepare for further work on a more robust timber tax, we encourage you to use HB 2070 to have DOR develop forms to collect data on both timber harvest volume and pricing, and any additional information they would need to move Oregon to a tax based on timber value rather than on volume. According to [LRO projections done for Rep. Holvey's bill HB 2379](#) (see bottom of page 18), Washington collects more than twice as much revenue as Oregon does using timber value (whether pond or stumpage values are used), so changing over to a value tax system would bring in significantly more revenue for Oregon and be more equitable in terms of "broad sharing of the tax burden."

One way to assure that the timber tax issue is addressed in the future is to double the current harvest taxes each year between now and a six-year sunset date, with the excess going into a special fund for future allocations (perhaps for counties and for forest, water, and wildfire management).

In the long term, we need a better system of timber taxation, one based on harvest value that will not cripple the timber industry, certainly, but that brings in as much timber revenue as our neighboring western timber states. But for now, we ask you to amend and pass HB 2070.

Thank you for the opportunity to discuss this legislation. We look forward to working with you and others to arrive at a fair and equitable answer to this issue.

Handwritten signature of Rebecca L. Gladstone in black ink.

Rebecca Gladstone
LWVOR President

Handwritten signature of Josie Koehne in black ink.

Josie Koehne
LWVOR Revenue Coordinator