

April 7, 2021

To: Chair Nathanson and Members of the Committee

Re: Support for HB 2379 Timber Severance Tax

I lived in Tillamook County for 28 years prior to moving to Clatsop County 4 years ago. Timber counties around the state have been starved for resources in the past three decades with the loss of revenue since the severance taxes were eliminated. Services for the good of the community withered. Reductions in law enforcement, libraries, schools, and road maintenance are but a few examples of losses suffered by many communities around the state.

Investment-based industrial timber should pay its fair share of taxes. Real Estate Investment Trusts and Timber Investment Management Organizations are making profits for investors on Wall Street, while timber communities in Oregon are left in the lurch.

A reinstatement of the Severance Tax based on the following would be for the common good:

- Tax should be directed at large corporate and investment-based timber interests.
- Small woodland owners should be exempt or minimally impacted.
- Give largest share of revenue directly to counties for their general fund.
- Provide for community water protection.
- Provide for fire protection and mitigation.
- Incentivize longer harvest cycles, which benefits carbon sequestration, water quality and quantity, soil quality, and overall forest health.

The timber industry claims jobs will be lost and operations will be shut if taxes go up. This is a ruse.

Taxes went down in the 1990s and early 2000s when the severance taxes went away, and yet, timber jobs were still lost. Why? Mechanization and exporting of raw logs. It takes far fewer workers to run a logging site or a mill than it did 20 or 30 years ago. These are reasons timber jobs have been lost and mills have closed, not taxes.

Taxing corporate and investment-based timber operations and investing the money back in timber communities is good public policy.

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