



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

June 2, 2021

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

Email: <https://olis.oregonlegislature.gov/liz/2021R1/Testimony/HREV>

Re: [HB 2070](#) -2 Forest Products Harvest Tax - **Support**

One of the League of Women Voters of Oregon’s priorities for the 2021 session is “to generate adequate revenue for essential services while promoting equity and **progressivity in tax policy based on the ability to pay, and that it be equitable, adequate, stable, easy to administer and as simple as possible.**”

HB 2070 in its original form 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 supported that idea in previous testimony. The -2 amendment to HB 2070 distributes the tax revenue to the same entities as the current harvest tax in the same proportion, with a little more for the Oregon Dept. of Forestry by removing the 40% cap for the administration of the Forest Practice Act, which can then be used for other purposes such as fire suppression, fire mitigation, forest health, or habitat conservation. Instead of a complex set of individual rate-setting procedures dependent on budgets, the amendment sets one harvest tax rate of \$4.5256. based on ten-year averaging for each of the recipient entities, which going forward will be indexed to inflation (western states Consumer Price Index (CPI)), And it preserves the first 25,000 board feet exclusion from the tax.

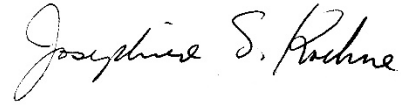
This bill makes the rate-setting process simple and transparent, by streamlining the harvest tax with sensible modifications that will be far easier and less costly to administer and supports our LWVOR positions on tax policy.

In the long term, we need a better system of timber taxation, one based on harvest value rather than volume that would not tax family forest and smaller woodland owners onerously, and that certainly should not cripple the timber industry, but will bring in as much timber revenue as our neighboring western timber states. Washington collects more than twice as much revenue as Oregon does using timber value, whether measured by pound or stumpage value, so changing over to a value tax system would bring in significantly more revenue for Oregon and be more equitable in comparison to our neighboring timber states. But for now, we ask you to amend and pass HB 2070 with the -2 amendment.

Thank you for the opportunity to discuss this legislation.



Rebecca Gladstone
LWVOR President



Josie Koehne
LWVOR Revenue Coordinator