

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2022 Regular Session
Legislative Revenue Office

Bill Number: HB 4055 - A
Revenue Area: Timber Tax
Economist: Jaime McGovern
Date: 02/17/2022

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Initiates new rates for statutory portions of the Forest Products Harvest Tax (FPHT). Sets tax for the purposes of administering the Forest Practices Act at \$2.07 per MBF. Sets tax for OSU Forest Research to 90 cents per MBF. Sets privilege tax for the purposes of investing in professional forestry education at the Oregon State University College of Forestry to 21 cents per MBF. Sets March 10 requirement for consideration of biennial FPHT. Creates new FPHT tax to mitigate effects of incidental take permits. Establishes cap and end dates of new tax. Establishes version of Private Forest Accord and its date of publication. Requires State Forestry Department to provide data to Legislative Revenue and Fiscal Officers. Requires Legislative Revenue report.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2021-22	2022-23	2021-23	2023-25	2025-27
OSU Forest Research	\$0.8	\$3.1	\$3.9	\$2.6	\$1.5
OSU Forest Education	\$0.2	\$0.7	\$0.9	\$0.6	\$1.5
Forest Practices Admin	\$1.8	\$7.2	\$9.0	\$5.9	\$1.5
Subtotal	\$2.8	\$11.1	\$13.9	\$9.1	\$4.5
Oregon Cons & Rec Fund*	\$0.0	\$2.5	\$2.5	\$5.0	\$5.0
Total	\$2.8	\$13.6	\$16.4	\$14.1	\$9.5

* upon issuance of an incidental take permit, the revenue collected under this tax will increase to \$5 million annually

Impact Explanation:

The Forest Products Harvest tax is applied retroactive to the first of January 2022. There is a one quarter delay in collections, so that a portion of the tax that is applied in 2022 will be collected in 2023, and a portion that is applied to the 2023 harvest will be collected in 2024. It is a volume-based rate, applied to the forecasted harvest for 2022 and 2023. The revenue impact reflects the new tax directed to the Oregon Conservation and Recreation Fund, designed to mitigate the impact of incidental take permits, as initially set at a target of \$2.5 million annually. As noted, this amount would increase to \$5 million annually, contingent on the filing of an incidental take permit, date uncertain. This would increase the total Forest Products Harvest Tax in any year by \$2.5 million

State Capitol Building
900 Court St NE
Salem, Oregon 97301-1347

Phone (503) 986-1266
Fax (503) 986-1770
<https://www.oregonlegislature.gov/lro>