



Date: February 28, 2024

To: Chair and members of the Senate Finance and Revenue Committee

From: Scott Bruun, VP Government Affairs, OBI

RE: Opposition to SB 1593 / Forest Excise Tax

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Good afternoon, Chair Meek and members of the Committee.

My name is Scott Bruun, and I am the VP of Government Affairs for Oregon Business & Industry, or "OBI." OBI is a statewide business association representing businesses from a wide variety of industries from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600+ member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. OBI's primary mission is to strengthen the business climate in Oregon.

I want to start by saying that the larger conversation around wildfire management and mitigation is crucially important. As is the conversation around resources for wildfire management and mitigation. And SB 1593 is certainly a piece of that conversation.

Having said that we believe stakeholder parties, including timber and forest product commercial interests, have and are continuing to make progress toward policies that take a different approach than this bill, including growing alignment around the existing forest products harvest tax. This growing alignment of stakeholders is why OBI is opposed to SB 1593 and the amendments.

At a more comprehensive level, I want to add that any and every conversation around new or increased taxes for a specific industry, like forest products, must also be considered in light of the significant increases in tax burden that every industry in Oregon has faced in recent years. As OBI has mentioned many times in this committee in prior sessions, the effective tax burden for Oregon business has increased almost 43% since 2019 according to studies by Ernst & Young. While a 2023 report from the Tax Foundation puts Oregon's corporate tax rank at 49<sup>th</sup> out of 50, with 50 being the worst.

Which is all to say, that for the sake of job creation and for the sake of protecting as much of Oregon's business climate competitiveness as we can, we need to be extraordinarily careful in any conversation around business taxes generally or excise taxes specifically. And we are certainly hopeful that that general awareness and caution informs all future conversations around forest product taxation.

Thank you, Mr. Chair, Committee.

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