



The League of Women Voters of Oregon, established in 1920, is a 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.

February 4, 2025

To: **Chair [Representative Nancy Nathanson](#)**

[House Committee On Revenue](#)

Re: **[HB 2072](#) – Forest Products Harvest Tax – **Comments****

One of the League of Women Voters of Oregon’s priorities is to “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 2072 continues the tradition of requiring the Oregon Legislature to approve the Forest Products Harvest Tax (FPHT) every two years. The last Harvest Tax Bill in 2023 was [HB 2087](#), a bill identical to this bill although the rates will probably be changing. The current rate is just under \$6 per thousand board feet MBF. A typical timber truckload of Doug fir holds 4,500 to 5,000 board feet of timber. Total tax on 5MBF is only \$30! That is all Oregon collects per truckload and all of it is earmarked for timber related benefits.

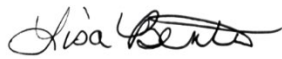
The harvest tax is *not* easy to administer and raises no revenue for either the counties or the General Fund. Instead, the tax benefits the timber industry, much like a commodity commission. The LWVOR believes that *any* tax bill should not have to be reinstated every biennium, and we do not understand why this tax is an exception. The 2021 bills proposed by Rep. Marsh (HB 2389) and Rep Nathanson (HB 2430) proposed to end the tax review every two years, and we supported that idea in previous testimony.

The harvest tax is a very complicated bill that has fixed dollar amounts to fund the **Oregon Forest Land Protection Fund (OFLPF)** for large fire suppression, currently set at \$0.625 cents per thousand board (MBF) feet harvested (unchanged in this bill), and \$.90 to **Forest Resources and Experiment** account and the OSU **Forest Research Laboratory**. \$2.53 is allocated to partially fund ODF for Administration of the Forest Practices, and \$0.21 to OSU for professional forestry **education at the College of Forestry**. **Oregon Forest Resources Institute (OFRI)** sets its own rate, currently \$1.12 indexed to inflation. That is twice as much as is collected for large fire suppression. In addition, the first 25,000 BF of harvested timber per taxpayer, or 5 truckloads of timber continues to be untaxed!

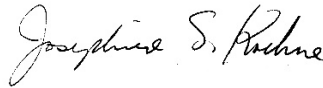
The Forest Products Harvest Tax is extremely low. The Dept. of Revenue report included in the meeting materials states “over the past ten years, collections have been somewhat stable, averaging \$14.5 million per year.” \$14.5 million is collected on an annual harvest that has varied between 2,748 and 4,451 **million** board feet, averaging roughly 3,800 million board feet per year. That’s 3.8 *billion* BF. In 2024, logs prices for Doug fir logs ranged from around \$700–\$775 per MBF, although prices vary a lot by region. In conclusion, Oregon collects just under \$6 on \$700 worth of lumber per thousand BF. In addition, the higher quality logs are taxed at the same rate per MBF as low-paying scrap lumber suitable only for plywood or other low-end uses.

Clearly, Oregon needs a better system of timber taxation. Past legislatures eliminated the severance tax that supported schools and public services including local fire departments. We need a well-designed timber tax to replace this inadequate and poorly designed harvest tax—one that supports the timber counties that have received reduced property tax revenue for decades. We need a tax that also provides incentives to ensure the long-term health and protection of our forest soils and our future water supplies with climate smart incentives that encourage carbon sequestration, to mitigate climate impacts that are decimating our forests. We prefer [HB 3025](#), an innovative timber tax bill introduced in the 2023 session by Rep. Holvey and Sen. Golden. We need a tax on harvest value rather than volume as Washington has, with incentives for climate smart practices. We need a revised timber severance tax that will bring in as much timber revenue as our neighboring western timber states. Changing over to a value tax system would bring in significantly more revenue to Oregon. **We encourage you to reject this FPHT bill and reintroduce a revised version of HB 3025 and schedule a public hearing on it!**

Thank you for the opportunity to discuss this legislation.



Lisa Benston
President LWVOR



Josie Koehne
Forestry Advocate LWVOR

Cc: [Mark Meek](#), [Senate Committee On Finance and Revenue](#), [Senator Jeff Golden](#),
[Senator Kathleen Taylor](#), [Senator Floyd Prozanski](#)