

CHAPTER 9. FOREST PRODUCTS HARVEST TAX

A tax of a specified rate per thousand board feet is assessed on timber owners when timber is harvested from private and public lands. The tax revenue is used primarily to support forestry research, to support the Oregon Department of Forestry in its efforts to fight forest fires and administer Oregon's Forest Practices Act, and to support forest-related education through the Oregon Forest Resource Institute.

For calendar year 2006, the tax rate was set at \$2.61 per thousand board feet of timber harvested, of which \$0.67 was to support forestry research, \$0.55 was to administer Oregon's Forest Practices Act, \$0.50 was for fire protection, and \$0.89 was for the Oregon Forest Resources Institute.

Receipts from the forest products harvest tax are forecasted to be \$21.6 million for the 2005–07 biennium. The tax will sunset December 31, 2007 and receipts are forecasted to be \$19.0 million for the 2007–09 biennium.

9.001 FIRST 25,000 BOARD FEET

Oregon Statute: 321.015(5)

Sunset Date: 12-31-07

Year Enacted: 1953

Exemption: 75 million board feet in 2005

Total	
2005–07 Revenue Impact:	\$400,000
2007–09 Revenue Impact:	\$400,000

DESCRIPTION: The 2005 Legislature reinstated the Forest Products Harvest Tax through December 31, 2007. This exemption provides that the first 25,000 board feet harvested by each taxpayer each year are exempt from the Forest Products Harvest Tax.

PURPOSE: To provide tax relief to timber harvesters who, on an annual basis, harvest a small amount of timber.

WHO BENEFITS: All timber harvesters qualify for this exemption. Because the exemption represents a larger share of total timber harvested for small harvesters, small harvesters receive the largest benefit in percentage terms. In 2005, about 3,900 harvesters benefited from this.

EVALUATION: Harvest taxes provide effective mechanism for funding programs important to the state and woodland owners. *[Evaluated by the State Forestry Department.]*