

## CHAPTER 10. FOREST PRODUCTS HARVEST TAX

A privilege 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.

The first 25,000 board feet of forest products harvested annually by any taxpayer during each calendar year are excluded from taxation. For calendar years 2002 and 2003, the tax rate was set at \$3.07 per thousand board feet of timber harvested, of which \$.67 was to support forestry research, \$.91 was to administer Oregon's Forest Practices Act, \$.50 was for fire protection, and \$.99 was for the Oregon Forest Resources Institute.

Receipts from the forest products harvest tax summed to \$21.6 million for the 1999–01 biennium. Receipts from the forest products harvest tax summed to \$21.6 million for the 1999–01 biennium.

### 10.001 FIRST 25,000 BOARD FEET

Oregon Statute: 321.015(6)

Sunset Date: None

Year Enacted: 1953, modified in 2001 (HB 2159)

1999 Exemption: 113 million board feet

	Total
2001–03 Revenue Impact:	\$700,000
2003–05 Revenue Impact:	\$700,000

**DESCRIPTION:** The 2001 Legislature reinstated the Forest Products Harvest Tax through December 31, 2003. The exemption was also reinstated. This exemption provides that the first 25,000 board feet harvested by all taxpayer each year are exempt from the Forest Products Harvest Tax.

**PURPOSE:** To provide tax relief to small timber harvesters.

**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 1999, about 5,700 harvesters filed returns, with 4,500 of those reporting that they harvested during the year.

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