

A-Engrossed
House Bill 2124

Ordered by the House June 21
Including House Amendments dated June 21

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber for State Forestry Department)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Extends **and modifies** privilege taxes on merchantable forest products harvested on forestlands. Eliminates temporary privilege tax for providing field administration of Oregon Forest Practices Act.

Applies to forest products harvest tax reporting periods beginning on or after January 1, 2012. Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to forest products harvest taxation; creating new provisions; amending ORS 321.015; pre-
3 scribing an effective date; and providing for revenue raising that requires approval by a three-
4 fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 321.015 is amended to read:

7 321.015. (1) For the calendar years beginning January 1, [2010] **2012**, and January 1, [2011]
8 **2013**, there is levied a privilege tax of [92] **87.39** cents per thousand feet, board measure, upon tax-
9 payers for the privilege of harvesting of all merchantable forest products harvested on forestlands.
10 Subject to ORS 321.145, the proceeds of the tax shall be transferred as provided in ORS 321.152 (2)
11 to the Forest Research and Experiment Account for use for the forest resource research, exper-
12 imentation and studies described in ORS 526.215 and for the Forest Research Laboratory established
13 under ORS 526.225.

14 (2) Except as provided in ORS 477.760, in addition to the tax levied by subsection (1) of this
15 section, there [*hereby*] is levied a forest products harvest tax upon taxpayers of 62.5 cents per
16 thousand feet, board measure, for the privilege of harvesting all merchantable forest products har-
17 vested on forestlands for the payment of benefits related to fire suppression as provided in ORS
18 321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460.

19 (3)[*a*] For the calendar years beginning January 1, [2010] **2012**, and January 1, [2011] **2013**, in
20 addition to the taxes levied under subsections (1) and (2) of this section, there [*hereby*] is levied a
21 privilege tax upon taxpayers for the privilege of harvesting all merchantable forest products har-
22 vested on forestlands in the amount of [77 cents] **\$1.2952** per thousand feet, board measure, for the
23 purpose of administering the Oregon Forest Practices Act in an amount not to exceed 40 percent
24 of the total expenditures approved by the Legislative Assembly for this purpose, including salary
25 adjustments approved by the Legislative Assembly for fiscal years [2010] **2012** and [2011] **2013**.

26 [*b*] For the calendar years beginning January 1, 2010, and January 1, 2011, in addition to the

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 *taxes levied under subsections (1) and (2) of this section and paragraph (a) of this subsection, there is*
2 *levied a privilege tax of 37 cents per thousand board feet, board measure, for the privilege of harvesting*
3 *merchantable forest products harvested on forestlands, for the purpose of providing field administration*
4 *of the Oregon Forest Practices Act.]*

5 (4) Subject to subsection (5) of this section, the taxes shall be measured by and be applicable to
6 each per thousand feet, board measure, on the total quantity of forest products harvested in this
7 state measured by use of any log scale which is or may be in general use in the logging industry
8 and which is designed to measure total volume of merchantable forest products in board feet. How-
9 ever, if the Department of Revenue finds that the scale used by any taxpayer in computing the taxes
10 due under ORS 321.005 to 321.185 and 321.560 to 321.600 does not accurately reflect the total
11 quantity of merchantable forest products harvested by the taxpayer, it may require the taxpayer to
12 adopt another log scale in general use in the industry which in the department's opinion will accu-
13 rately reflect merchantable harvest in board feet.

14 (5) The first 25,000 feet, board measure, of forest products harvested annually by any taxpayer
15 during each calendar year shall be excluded from the total quantity of harvested forest products that
16 constitutes the measure of the taxes under ORS 321.005 to 321.185 and 321.560 to 321.600.

17 **SECTION 2. The amendments to ORS 321.015 by section 1 of this 2011 Act apply to forest**
18 **products harvest tax reporting periods beginning on or after January 1, 2012.**

19 **SECTION 3. This 2011 Act takes effect on the 91st day after the date on which the 2011**
20 **regular session of the Seventy-sixth Legislative Assembly adjourns sine die.**

21