

## SENATE REVENUE COMMITTEE

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January 21, 1999 - 3:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

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Members Present: Senator Thomas Wilde, Vice Chair

Senator Lee Beyer

Senator Tom Hartung

Senator Charles Starr

Members Excused: Senator Randy Miller, Chair

Staff: Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

### TAPE 010, SIDE A

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| 004 | Vice Chair Wilde | Meeting called to order at 3:03 p.m.   |
| 007 | Vice Chair Wilde | MOTION: MOVED THE SENATE REVENUE COMMITTEE, ACTING UNDER THE AUTHORITY OF ORS 173.800, APPOINT PAUL D. WARNER LEGISLATIVE REVENUE OFFICER EFFECTIVE FEBRUARY 1, 1999. HEARING NO OBJECTION, THE CHAIR SO ORDERED.  |
| 017 | Richard Yates    | Continued presentation on taxation of forest property from yesterday's meeting, resumed with the 1993 interim committee slide. Discussed in detail the work of the 1993 interim committee that resulted in the current law, which was passed in 1993, (Page 13-14, Exhibit 1). |

Discussion and questions interspersed.

130 Sen. Hartung Requested that a presentation be made to the Committee on the different species and specifically the hybrid softwoods. Are the hybrids treated as timber production or as an agricultural crop?

136 Yates As an agricultural crop.

Discussion and questions interspersed.

180 Yates Continued presentation, discussing the economics of timber production and discounted rates, (Pages 14-15, Exhibit 1).

Discussion and questions interspersed.

210 Yates Continued with discussion of discounted costs, (Page 15, Exhibit 1).

Discussion and questions interspersed.

275 Yates Reviewed 1993 interim options, (Page 15, Exhibit 1).

Discussion and questions interspersed.

364 Yates Continued with discussion of 1993 interim options.

Discussion and questions interspersed.

**TAPE 011, SIDE A**

008 Yates Reviewed the interim analysis and discussed the effects of 1993is HB 2438, (Page 16, Exhibit 1). Noted the impact Measure 50 had on the bill and explained how the base

for the tax roll is computed.

067 Yates Explained graphs, (Page 17, Exhibit 1).

Discussion and questions interspersed.

118 Yates Discussed the effects that 1997's HB 3734 would have had had it not been vetoed.

Discussion and questions interspersed.

150 Yates Continued with presentation and discussion of timber tax graphs, (Pages 18-20, Exhibit 1).

Discussion and questions interspersed.

239 Yates Discussed 1995-96 timber revenues, (Page 20, Exhibit 1).

350 Yates Continued with discussion of timber revenues.

Discussion and questions interspersed.

419 Yates Continued with presentation, discussed distribution, prior to Measure 50, (Page 21, Exhibit 1).

**TAPE 010, SIDE B**

040 Yates Discussed how Measure 50 has changed the distribution, (Page 21, Exhibit 1).

071 Yates Presented a detailed overview on excise taxes, beginning with cigarette taxes. (Exhibit 2)

Distributed the portion of the basic tax packet pertaining to excise taxes and OLCC revenues research report #1-99. (Exhibit 3) The basic tax packet is updated each biennium by Legislative Revenue.

- 156 Discussion and questions interspersed.
- 217 Yates Continued with presentation and discussion of graphs depicting 1997-99 revenues and distribution; the first graph represents revenues without Measure 44 and the second graph shows what happened with Measure 44, (Pages 3-4, Exhibit 2).
- 245 Yates Reviewed how other tobacco products are taxed and a comparison of how Oregon ranks with other states for 1998.
- Discussion and questions interspersed.
- 298 Yates Continued with presentation and discussion of revenue from tobacco, (Page 5, Exhibit 2).
- 347 Yates Discussed excise taxes on beer and reviewed graphs, (Pages 6-7, Exhibit 2). The last time the beer tax was increased was 1977.
- 417 Yates Concluded discussion with wine tax rates, (Page 7, Exhibit 2).
- 452 Vice Chair Wilde Meeting adjourned at 4:23 p.m.

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. Orientation, Yates, Taxation of Forest Property, 21 pages
2. Orientation, Yates, Excise Taxes, 14 pages
3. Orientation, Yates, Excise Taxes and OLCC Revenues Report #1-99, 2 pages