

Public Hearing HB 2439, HB 2441, HB 2442
Tapes 13-14 A/B
15 A

HOUSE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON INCOME TAXATION
FEBRUARY 3, 1993 8s00 AM HEARING ROON E STATE CAPITOL
BUILDING

Members Present: Representative John Schoon, Chair
Representative Ron Adams
Representative Tony Federici
Representative Delna Jones, Ex Officio
Representative Gail Shibley
Representative Greg Walden

Witnesses Present: Ray Craig, Department of
Forestry (DOF)

Joe Misek, Department of Forestry
Don O'Meara, Department of Revenue (DOR)
Julie Brandis, Oregon Small Woodlands Assoc.
(OSWA)

Gary Carlson, Oregon Small Woodlands Assoc.

Wallace Rutledge, Department of Forestry

Staff: Richard Yates, Legislative Revenue Office

Mary Gottlieb, Committee Assistant

TAPE 013 SIDE A

001 CHAIR SCHOON called the meeting to order at 8:08.

007 DICK YATES gave an general overview of HB 2439 noting sections to be repealed. He introduced Exhibit 1, a letter from the Department of Forestry regarding Reforestation Tax Credit; Exhibit 2, a table prepared by DICK YATES, HB 2439 Compared to Current Law; and Exhibit 3, copy of ORS 316.094. Questions and discussion.

199 RAY CRAIG and JOE MISEK explained proposed repeals of HB 2439 concerning reforestation.

285 CHAIR SCHOON presented directions to staff.

300 RAY CRAIG and JOE MISEK continued their testimony.

Questions and discussion.

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House Committee on

Revenue and School

Finance

Subcommittee on Income Taxation February 3, 1993 Page 2

TAPE 014 SIDE a

001 Discussion continues on HB 2439.

050 RAY CRAIG and JOE MISEK continued to explain reforestation laws and tax credits.

Questions and discussion.

120 RAY CRAIG and JOE MISEK gave general background information on HB 2439, HB 2441, and HB 2442.

171 JOE MISEK presented a graph showing unproductive forest land, page 3,

Exhibit 1.

Questions and discussion.

270 JOE MISEK responded to CHAIR SCHOON as to how the legislature could make being a timber owner more attractive by passing this legislation. Discussion and questions.

TAPE 13 SIDE B

001 JULIE BRANDIS and GARY CARLSON presented testimony in support of HB 2439.

Question and discussion from committee members.

030 RAY CRAIG joined JULIE BRANDIS and GARY CARLSON and discussed the benefits of HB 2439 and reforestation.

Questions and discussion.

080 DON O'MEARA testified on Section 2, SS9, page 3, and suggested additional language that would give DOR three years after being notified by DOF that the forest had not succeeded to issue a deficiency notice.

100 JOE MISEK voiced his concern about this section and suggested five years.

Questions and discussion.

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House Committee on
Revenue and School Finance
Subcommittee on Income Taxation
February 3, 1993 Page 3

127 CHAIR SCHOON closed the public hearing on HB 2439

130 CHAIR SCHOON opened the public hearing on HB 2441.

134 DICK YATES explained the bill.

Questions for DICK YATES.

212 JOE MISEK discussed HB 2441 and interpreted the language in Section 5, page 2, line 11-.

254 JOE MISEK introduced Exhibit 4, a letter to the committee titled HB 2441-Small Woodland Owner Expensing.

300 RAY CRAIG offered an explanation of how HB 2441 would work. He believes it would have a positive effect on forest investment.

310 CHAIR SCHOON invited DON O'MEARA to join the table.

314 RAY CRAIG continued his testimony.

Discussion and questions.

406 DON O'MEARA responded to CHAIR SCHOON's question on timber tax laws.

TAPE 014 SIDE

B

004 Discussion continues on HB 2441.

044 DON O'MEARA commented on tax administration concerning the limit of employees a woodland owner can employ on a regular basis.

059 JOE MISEK offered a definition of "woodland owners" in response to CHAIR SCHOON's question.

084 DON O'MEARA continued testimony with, page 2, line 42, concerning net operating losses and passive losses.

Discussion and questions.

106 JULIE BRANDIS and GARY CARLSON presented Exhibit 5, Testimony on HB 2441 in support of this bill.

Questions and discussion.

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recording.
House Committee on
Revenue and School Finance ~
Subcommittee on Income Taxation
February 3, 1993 Page 4

168 RAY CRAIG added comments regarding timber tax credits.
177 CHAIR SCHOON closed the public hearing on HB 2441.
180 CHAIR SCHOON opened the public hearing on HB 2442.
189 DICK YATES explained the bill, which allows woodland owners to take a
60 percent capital gains deduction upon sale or exchange of timber for
state personal income tax purposes.
Questions addressed to DICK YATES by members.
232 RAY CRAIG and JOE MISEK answered questions from the committee
concerning HB 2442.
248 JOE MISEK introduced and read Exhibit 6, a letter to the committee
entitled HB 2442-Woodland Owner Capital Gains.
Questions and discussion.
375 WALLACE RUTLEDGE commented on the benchmarks for natural resources,
which deal with the health of the forest, wildlife, fisheries, water, etc.

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TAPE 015 SIDE

A
001 Discussion continues with the representatives from Department of
Forestry on HB 2442.
020 JULIE BRANDIS and GARY CARLSON introduced Exhibit 7, Testimony on
HB 2442, from the Oregon Small Woodlands Assoc.
070 GARY CARLSON provided information about the plight of the small
woodland owners.
Questions and discussion.
196 JOE MISEK testified about reforestation as pertains to HB 2442.
Questions and discussion.

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words. For complete context of proceedings, please refer to the tape
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House Committee on
Revenue and School Finance
Subcommittee on Income Taxation
February 3, 1993 Page 5

288 CHAIR SCHOON adjourned the meeting at 10:24 a.m.

Mary Gottlieb, Committee Assistant

Kimberly Taylor, Officer Manager

EXHIBITS

1. HB 2439 - Reforestation Tax Credit, Joe Misek, Department of Forestry.
2. HB 2439 Compared to Current Law, Dick Yates, Legislative Revenue Office.
3. ORS 316.094, Dick Yates, Legislative Revenue Office. (HB 2439)
4. HB 2441 - Small Woodland Owner Expensing, Joe Misek, Department of Forestry.
5. Testimony of HB 2441, Julie Brandis, Oregon Small Woodlands Assoc.
6. HB 2442 - Woodland Owner Capital Gains, Joe Misek, Department of Forestry.
7. Testimony on HB 2442, Julie Brandis, Oregon Small Woodlands Assoc.

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