

HOUSE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON INCOME
TAXATION

MARCH 16, 1993 8:00 AM HEARING ROOM C 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: Jim Manary, Department of Revenue (DOR)
John Fink, Department of Environmental Quality (DEQ)
Linc Cannon, Oregon Forest Industry Council (OFIC)
Craig Hanneman Willamette Industries
Kelly Conover, Weyerhaeuser Paper Company
Staff: Richard Yates, Legislative Revenue Office
Mary Gottlieb, Committee Assistant

TAPE 057 SIDE A

001 CHAIR SCHOON called the meeting to order at 8:16.
006 CHAIR SCHOON opened the work session on HB 2058.
012 CHAIR SCHOON presented information concluded from a meeting with DOR
staff and Donna Fausner and decided that Amendment 1 was correct as stated
by industry.
030 DICK YATES explained the parts of the amendments that would be deleted.
Questions and discussion.
058 MOTION CHAIR SCHOON moved that the HB 2058-1 amendment
be adopted.
060 ORDER CHAIR SCHOON, hearing no objections, so
ordered.
070 DICK YATES provided a list showing the committee exactly what steps
have been taken on HB 2058 and the issues currently undecided.

These minutes paraphrase and/or summarize statements made during this
meeting. Text enclosed in quotation marks reports the speakers exact words.
For complete context of proceedings, please refer to the tape recording.

House Committee on
Revenue and School Finance
Subcommittee on Income Taxation March 16, 1993 Page 2

073 CHAIR SCHOON suggested that each of the committee members look through
the bill on their own.
Questions and discussion.
144 DICK YATES stated that the majority of the amendments would have no
revenue impact.
Discussion and comments.
188 JIM MANARY stated that DOR forecasters would have no knowledge of any
adjustments until the billings are sent out and collected.
Discussion and questions.
213 MOTION REP. WALDEN moved to send HB 2058, as amended,
to the full committee with a do-pass
recommendation.

219 ORDER The roll call vote was 5-0. Ayes: REP.
SHIBLEY, REP. WALDEN, CHAIR SCHOON, REP.
ADAMS, REP. FEDERICI. Excused: REP. JONES.

237 CHAIR SCHOON opened the work session on HB 2017.

253 JOHN FINK testified in support of HB 2017, which changes sunset date relating to tax credits for pollution control from December 31, 1995, to June 30, 1993.

330 Committee read through the DEQ testimony.

Questions and discussion.

TAPE 058 SIDE A

001 Further discussion with JOHN FINK with regard to pollution control credits.

168 JOHN FINK reiterated that the new environmental regulations did not come into effect until the late 1980s.

Discussion and questions.

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House Committee on
Revenue and School Finance
Subcommittee on Income Taxation March 16, 1993 Page 3

220 JOHN FINK responded to a question from REP. WALDEN by stating that there had been no formal analysis of the tax credits for recycling. The Department of Energy's Cash Credit Program does certify a larger number of recycling cash credits.

Discussion and questions.

245 CHAIR SCHOON discussed the concerns of the committee and the members identified changes.

330 MOTION REP. SHIBLEY moved that on line 16, page 1, of
the bill, the date read December 31, 1993.

DISCUSSION

370 MOTION REP. SHIBLEY further moved that on line 37,
page 4, and line 43, page 2, the date should
read December 31, 1993.

DISCUSSION

382 ORDER The roll call vote was 1-4. Ayes: REP.
SHIBLEY. Nos: REP. WALDEN, REP. ADAMS, CHAIR
SCHOON, REP. FEDERICI. Excused: REP. JONES.

390 MOTION REP. WALDEN moved to extend the date to
December 31, 1999, on the same lines and pages
mentioned above.

DISCUSSION

TAPE 057 SIDE B

001 Further discussion regarding the motion by REP. WALDEN.

022 ORDER The roll call vote failed 1-4. Ayes: REP.
WALDEN. Nos: CHAIR SCHOON, REP. SHIBLEY,
REP. ADAMS, REP. FEDERICI. Excused: REP.
JONES.

028 MOTION REP. FEDERICI moved that HB 2071 be tabled.

030 ORDER The roll call vote passed 4-1. Ayes: CHAIR
SCHOON, REP. WALDEN, REP. ADAMS, REP.
FEDERICI. Nos: REP. SHIBLEY. Excused: REP.
JONES.

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House Committee on
Revenue and School Finance
Subcommittee on Income Taxation March 16, 1993 Page 4

036 CHAIR SCHOON called a recess at 9:15 a.m. and reconvened at 9:47 a.m.
060 LINC CANNON (with CRAIG HANNEMAN and KELLY CONOVER) presented new testimony, Exhibit 2, Timber Tax: Summary of Revenue Impacts for the 1993-95 Biennium, in support of HB 2438, which sets land values for forest land. He explained the figures to the committee.
Questions and discussion.
196 CRAIG HANNEMAN commented that higher land values would only raise more revenue to the extent that a district is under compression.
Further questions and discussion.
260 DICK YATES offered information about land values in certain counties. The values run from \$487 to \$569 in three different zones within the same county. The landowner is being paid a price for the timber by specie and grade. The idea is to get back to the stumpage value.
Questions and discussion.
366 LINC CANNON responded to REP. SHIBLEY's question regarding page 2, Section 3, and adding the word "timber" by stating that he would not have a problem with the language.
TAPE 058 SIDE B
001 Discussion continues with LINC CANNON, CRAIG HANNEMAN, and KELLY CONOVER.
020 REP. SHIBLEY closed the work session on HB 2438.
025 REP. SHIBLEY, acting chair, adjourned the meeting at 10:12.

Mary Gottlieb, Committee Assistant
Kimberly Taylor, Office Manager

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House Committee on
Revenue and School Finance
Subcommittee on Income Taxation
March 16, 1993 Page 5
EXHIBIT SUMMARY

1. Memorandum on HB 2071, Fred Hansen, Department of Environmental Quality.
2. Timber Tax: Summary of Revenue Impacts for the 1993-95 Biennium, Linc Cannon, Oregon Forest Industry Council.
3. HB 2438 - Forest Land Taxation, Letter from Ray Craig to Representative Ron Adams.

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