

Work Session HB 2438,  
HB 2057  
Tapes 72-73 A/B  
HOUSE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE  
SUBCOMMITTEE ON INCOME TAXATION

MARCH 30, 1993 8:30 AM HEARING ROOM C STATE CAPITOL BUILDING

Members Present: Representative John Schoon, Chair (8:18  
departure, 9:17 arrival)  
Representative Ron Adams  
Representative Tony Federici  
Representative Delna Jones, Ex Officio  
Representative Gail Shibley  
Representative Greg Walden  
Witnesses Present: Linc Cannon, Oregon Forest Industry Council (OFIC)  
Joe Misek, Department of Forestry (DOF) Tom Roose, Department of Revenue  
(DOR)

Staff: Richard Yates, Legislative Revenue Office  
Mary Gottlieb, Committee Assistant

TAPE 072 SIDE A

001 CHAIR SCHOON called the meeting to order at 8:40.  
018 DICK YATES introduced Exhibit 1, The Theory, which consists of three  
tables showing the stumpage prices, land values, and land values at 95  
percent of the total tax raised by the yield tax.  
Discussion and questions.  
185 DICK YATES continued with Table 3 of Exhibit 1.  
Discussion on treating timber as a crop.  
281 DICK YATES responded to a question by REP. SHIBLEY by stating that  
accepting industry's argument, that timber is a crop and that it should be  
treated as other farm land for property tax purposes with no tax on the  
value of crops, would be a 100 percent tax on land.  
Discussion and questions with regard to Exhibit 1.  
TAPE 073 SIDE A  
001 Discussion continued with Exhibit 1.

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 30, 1993 Page 2

098 DICK YATES asked the committee to turn to page 3, which showed land  
value growth at half the increase of stumpage value or 95 percent plus the  
total tax raised by the yield tax.  
166 LINC CANNON testified that historical data can be found in the OFIC  
report, Exhibit 1, February 24.  
Questions and discussion.  
282 DICK YATES stated that there is a history of volume harvest under the  
Forest Products Harvest Tax, which is levied per thousand board feet of  
harvest. This data is available by county.  
Discussion continued on HB 2438.  
400 CHAIR SCHOON recessed at 9:35 and reconvened at 10:08.

TAPE 072 SIDE B

001 CHAIR SCHOON withdrew Amendment 2 to HB 2438.

011 DICK YATES offered an explanation of Section 8, page 4, of HB 2438, which sets the rate of the privilege tax for the first six months of 1994 and the biennial year 1994-95.

Discussion and questions.

071 DICK YATES clarified the language in Sections 9, which deals with log stumpage values and the log purchase index. DOR wants to use the values collected over a calendar year to determine the values for the next calendar year.

152 JOE MISEK testified that if fire or some other act of God destroyed a stand that was planted under the tax credit, that owner would be eligible for the tax credit again because the land would be underproductive and reforestation would not be required under the Forest Practices Act.

170 DICK YATES continued with Sections 14 and 17.

201 TOM ROOSE testified with respect to Section 17 that DOR classified all the forest land in Western Oregon and some in Eastern Oregon, so the site class work has been completed. Occasionally, new land comes on the tax roll designated as forest land for which there is no site class.

222 DICK YATES returned to Sections 18 and 20.

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House Committee on  
Revenue and School Finance  
Subcommittee on Income Taxation  
March-30, 1993 Page 3

Discussion and questions.

346 JOE MISEK testified that under either of the timber tax referrals programs in Western Oregon, there are management standards and these standards reflect what is required under the Forest Practices Act. The timber owners are required to have a per acre stocking of 150 well distributed seedlings, saplings, or larger trees. As of the last session if an owner clear cuts, that owner is required to replant and have 200 trees per acre.

Questions and discussion.

TAPE 073 SIDE

B

001 Discussion continued with JOE MISEK.

055 DICK YATES presented Section 21.

068 CHAIR SCHOON conducted administrative business.

076 CHAIR SCHOON adjourned the meeting at 10:44.

Mary Gottlieb, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. The Theory, HB 2438, Dick Yates, Legislative Revenue Office.

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