

Work Session HB 2438, HB 2057, HB 2240 Informational: Tax Exemptions Tapes 82
A/B 83 A
HOUSE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON INCOME
TAXATION

APRIL 13, 1993 9:30 AM HEARING ROOM 174 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

Members Excused: Representative Gail Shibley

Witnesses Present: Linc Cannon, Oregon Forest Industry Council (OFIC)
Joe Misek, Department of Forestry

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

TAPB 082 SIDE A

001 CHAIR SCHOON called the meeting to order at 9:40.

009 CHAIR SCHOON read a letter from a taxpayer in opposition to HB 2438.

016 DICK YATES provided a review (Exhibit 1) of Figure 2, Section 10 of the Oregon Forest Industry Council (OFIC) Report (Exhibit 1, February 24, 1993). He stated that the OFIC theory requires volume per acre produced and rotation age in each area. This information allows a determination of the number of acres of land required for the viable forest unit. Land which has a higher value leads to higher property tax; land which grows better timber leads to higher severance taxes.

130 DICK YATES continued with Exhibit 1, which showed a comparison of California, Washington, and Oregon timber values. All three states assess land at 100% of value.

Discussion and questions.

175 LINC CANNON testified that the forest harvest tax was included because in other states there are different ways of funding fire protection that are part of the tax structure. This shows that the Oregon forest industry is taxed higher than in other states.

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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 April 13, 1993 Page 2

Discussion and questions.

241 JOE MISEK related that this last year he met with other state's regarding timber taxes. The consensus was that in other states the value of the land was lower.

Discussion continued with regard to timber values.

320 CHAIR SCHOON closed the work session on HB 2438, HB 2057, and HB 2240.

326 CHAIR SCHOON opened the work session on tax exemptions.

354 CHAIR SCHOON called a recess at 10:05 and reconvened at 10:11.

377 CHAIR SCHOON reminded the committee of the tax credits that they had previously categorized and provided a list prepared by DICK YATES, which showed the 38 tax exemptions by order of importance. (Exhibit 2)

TAPB 083 SIDE A

001 Discussion continued with Exhibit 2, Tax Credits Review.

021 DICK YATES began the discussion with the tax credit, Rural Medical

Practice, which is an incentive for physicians to practice in rural areas.
Discussion and questions.

188 CHAIR SCHOON conducted administrative business.

211 DICK YATES explained why the rural medical exemption is often misleading to doctors.

Discussion and questions.

303 REP. WALDEN related the fact that there are several counties in Oregon that have no physicians and have physician assistants only. The public would be better served by this tax credit.

348 REP. ADAMS, Acting Chair, responded to a suggestion by REP. SHIBLEY that the sunset dates be done by category such as, health care, energy, conservation, education, etc. The committee agreed with this suggestion.
Discussion and questions.

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House Committee on

Revenue and School Finance

Subcommittee on Income Taxation

April 13, 1993 Page 3

TAPE 082 SIDE B

001 Discussion continued with Rural Medical Practice tax credit.

050 REP. WALDEN suggested that each credit in the "A" category have invited testimony.

Discussion and questions.

114 DICK YATES continued with regard to the ORS definition of rural areas for doctors.

159 REP. ADAMS, Acting Chair, closed the work session on tax credits.

162 CHAIR SCHOON conducted administrative business.

199 CHAIR SCHOON adjourned the meeting at 10:55.

Mary Gottlieb, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Total Per Acre Timber and Timberland Taxes, Dick Yates, Legislative Revenue Office.

2. Tax Credits Review, Dick Yates, Legislative Revenue Office.

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