

CHAPTER 639

AN ACT

HB 2051

Relating to forest products harvest taxation; creating new provisions; amending ORS 321.015, 321.017, 321.145 and 321.152; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 321.015 is amended to read:

321.015. (1) For the calendar years beginning January 1, [2012] **2014**, and January 1, [2013] **2015**, there is levied a privilege tax of [87.39] **84.39** cents per thousand feet, board measure, upon taxpayers for the privilege of harvesting of all merchantable forest products harvested on forestlands. Subject to ORS 321.145, the proceeds of the tax shall be transferred as provided in ORS 321.152 (2) to the Forest Research and Experiment Account for use for the forest resource research, experimentation and studies described in ORS 526.215 and for the Forest Research Laboratory established under ORS 526.225.

(2) Except as provided in ORS 477.760, in addition to the tax levied by subsection (1) of this section, there is levied a forest products harvest tax upon taxpayers of 62.5 cents per thousand feet, board measure, for the privilege of harvesting all merchantable forest products harvested on forestlands for the payment of benefits related to fire suppression as provided in ORS 321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460.

(3) For the calendar years beginning January 1, [2012] **2014**, and January 1, [2013] **2015**, in addition to the taxes levied under subsections (1) and (2) of this section, there is levied a privilege tax upon taxpayers for the privilege of harvesting all merchantable forest products harvested on forestlands in the amount of [\$1.2952] **97.27 cents** per thousand feet, board measure, for the purpose of administering the Oregon Forest Practices Act in an amount not to exceed 40 percent of the total expenditures approved by the Legislative Assembly for this purpose, including salary adjustments approved by the Legislative Assembly for fiscal years [2012 and 2013] **2014 and 2015**.

(4) **For the calendar years beginning January 1, 2014, and January 1, 2015, in addition to the taxes levied by subsections (1) to (3) of this section, there is levied a privilege tax of 10 cents per thousand feet, board measure, upon taxpayers for the privilege of harvesting all merchantable forest products harvested on forestlands. Subject to ORS 321.145, the proceeds of the tax shall be transferred as provided in ORS 321.152 (5) to the subaccount established pursuant to section 1, chapter 39, Oregon Laws 2012, for use by Oregon State University for the purpose of making investments in professional forestry education at the College of Forestry.**

[4)] (5) Subject to subsection [(5)] (6) of this section, the taxes shall be measured by and be applicable to each per thousand feet, board measure, on the total quantity of forest products harvested in this state measured by use of any log scale which is or may be in general use in the logging industry and which is designed to measure total volume of merchantable forest products in board feet. However, if the Department of Revenue finds that the scale used by any taxpayer in computing the taxes due under ORS 321.005 to 321.185 and 321.560 to 321.600 does not accurately reflect the total quantity of merchantable forest products harvested by the taxpayer, it may require the taxpayer to adopt another log scale in general use in the industry which in the department's opinion will accurately reflect merchantable harvest in board feet.

[(5)] (6) The first 25,000 feet, board measure, of forest products harvested annually by any taxpayer during each calendar year shall be excluded from the total quantity of harvested forest products that constitutes the measure of the taxes under ORS 321.005 to 321.185 and 321.560 to 321.600.

SECTION 2. ORS 321.017 is amended to read:

321.017. (1) In addition to the taxes levied under ORS 321.015 (1) to [(3)] (4), there hereby is levied a privilege tax upon taxpayers on the harvesting of all merchantable forest products harvested on forestlands in the amount provided in subsection (2) of this section.

(2) The rate of tax levied in subsection (1) of this section shall be established annually at the beginning of each calendar year by the board of directors of the institute, at a rate not to exceed 75 cents per thousand feet, board measure, on all merchantable forest products harvested on forestlands. The maximum tax rate prescribed by this subsection may be increased by the board of directors in an amount equal to the previous year's increase in the Consumer Price Index (Portland area -- all items) as published by the Bureau of Labor Statistics of the United States Department of Labor for the Portland, Oregon, area.

(3) The tax shall be measured by and be applicable to each per thousand feet, board measure, and such shall be subject to and determined by the procedures and provisions of ORS 321.015 [(4) and] (5) **and (6).**

(4) The tax levied by subsection (1) of this section shall be due and payable to the Department of Revenue in the manner and procedure, including penalties and interest, as set forth for the collection of the privilege tax in ORS 321.005 to 321.185.

(5) The revenue from the tax levied by subsection (1) of this section shall be remitted to the State Treasurer who shall deposit it in a suspense account established under ORS 321.145 (1). After payment of refunds, which shall be paid in the same manner as other forest products harvest tax refunds are paid in ORS 321.145 (2), the balance of the additional tax imposed under subsection (1) of this section shall be

deposited in the Oregon Forest Resources Institute Fund.

SECTION 3. ORS 321.145 is amended to read:

321.145. (1) The revenue from the taxes levied by ORS 321.005 to 321.185 and 321.560 to 321.600 shall be remitted to the State Treasurer who shall deposit it in a suspense account established under the provisions of ORS 293.445.

(2) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary to pay refunds of the taxes levied under ORS 321.015 (1) to [(3)] (4) hereby is appropriated continuously to the Department of Revenue from the suspense account referred to in subsection (1) of this section, and shall be used by the department for the payment of all refunds of taxes levied under ORS 321.015 (1) to [(3)] (4) that have been audited and approved by the department. Any penalties, interest and taxes then due from the taxpayer shall be applied in that order in computing any refund, and only the balance due the taxpayer, if any, shall be refunded. The department shall on its records charge each refund against the revenue from the tax with respect to which the refund is made.

SECTION 4. ORS 321.152 is amended to read:

321.152. (1) Subject to ORS 321.145 (2), moneys remaining in the Department of Revenue's suspense account referred to in ORS 321.145 on February 10, May 10, August 10 and November 10 of each year shall be transferred to the [various] **respective** appropriation accounts described in subsections (2)[, (3) and (4)] **to (5)** of this section.

(2) That part of the moneys derived from taxes levied by ORS 321.015 (1) shall be transferred to the

Forest Research and Experiment Account described in ORS 321.185.

(3) That part of the moneys derived from taxes levied by ORS 321.015 (3) shall be transferred to the State Forestry Department Account referred to in ORS 526.060. Notwithstanding ORS 291.238, the moneys transferred to the State Forestry Department Account under this section are appropriated continuously for and shall be used by the State Forester, under the supervision and direction of the State Board of Forestry, for the purposes of administering the Oregon Forest Practices Act and the forest practices monitoring program.

(4) That part of the moneys derived from taxes levied by ORS 321.015 (2) shall be transferred to the Oregon Forest Land Protection Fund described in ORS 477.750.

(5) That part of the moneys derived from taxes levied by ORS 321.015 (4) shall be transferred to the subaccount established pursuant to section 1, chapter 39, Oregon Laws 2012.

SECTION 5. The amendments to ORS 321.015, 321.017, 321.145 and 321.152 by sections 1 to 4 of this 2013 Act apply to forest products harvest tax reporting periods beginning on or after January 1, 2014.

SECTION 6. This 2013 Act takes effect on the 91st day after the date on which the 2013 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.

Approved by the Governor July 25, 2013

Filed in the office of Secretary of State July 25, 2013

Effective date October 7, 2013
