



PHOTO BY JOSEPH GLODE

A clear-cut viewed at milepost 23 along Oregon Highway 26, west of Portland.

## Do Oregon tax laws favor the timber industry while leaving rural communities behind?

BY EMILY GREEN  
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Chuck Willer is on a one-man mission, sporadically traveling across Western Oregon to give his PowerPoint presentation to small groups of people gathered at local libraries, colleges and other community hubs.

Each time, he tells his audience, with a degree of hyperbole, that Wall Street's influence and changes to state tax laws have created a scenario where the timber industry is paying mere pittance in taxes to county governments for the privilege of ravaging local lands at an unsustainable rate.

He points out that while timber company executives are raking in millions of dollars, public budgets in the counties where they harvest their trees are dwindling to the point of crises.

"Why is that?" Willer recently asked an audience of community rights activists in Eugene. He answered this question by chronicling changes to timber and property tax laws over the past four decades, showing how at each step, changes were made that — either by design or happenstance — deflated timber industry taxes.

In 1992, Willer quit his job as a contractor in Florence to become the first employee of the Coast Range Association, a nonprofit that was born out of concerns over logging in the Oregon Coast Range, where he lives.

For the past 20 years, Willer said, he's been monitoring the private timber industry on the west side of the state, in part through state finance reports.

"I would have to admit, in the late '90s, early 2000s, I didn't understand, really, what it meant," he said. "It's only now that we're

seeing enough data to see: Here's where we ended up, this is what it means — and the crisis of county revenues has, in the past five years, intensified."

The crux of Willer's findings is this: Oregon's west-side county governments are collecting 85 percent less in tax revenue from private timber companies than they were in the early 1990s, while logging on private lands has remained largely unchanged.

He came to this conclusion after analyzing Oregon Department of Revenue reports and adjusting the numbers for inflation.

Whereas from 1990 to 1995, Oregon's west-side county governments received 2016's equivalent of \$119 million from private timber companies each year, that number dropped to \$18 million per year between 2007 and 2012, according to Willer's calculations.

During that same period, logging volume on private lands had only decreased 15 percent.

Street Roots calculated private timber payments to counties statewide during the same time periods. When adjusted to 2018 dollars, we found payments dropped from an average of \$134 million per year to \$21 million per year.

"There's this constant narrative of this crisis in the counties, which varies from county to county, and no one ever mentions the change in private forest payments,"

Willer said. "That's what was on my mind when I was like, let's just take a look at taxation. They say they don't get enough money; let's see how much they used to get, what they currently get, from private forest property."

Street Roots spoke with tax experts and number crunchers at the Oregon Department of Revenue, Legislative Revenue Office and Oregon State University and examined historical tax records and other public documents to figure out how Oregon got here.

We discovered that the state's system for taxing timber and forestland is complex and the result of a long chain of changes to tax laws over the years.

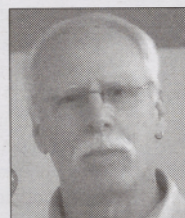
We won't attempt to explain every minutia of the timber tax system as it applies to every level of government, but we will take a closer look at how the state's property tax overhaul and tax laws that were written by the timber industry itself have benefited big timber while leaving Oregon's timber-rich counties behind.

### Dirt cheap

Oregon's western counties saw the most significant dive in revenue from logging after the Northwest Forest Plan was enacted in 1994, dropping the volume harvested from public lands.

But as logging dropped off on public lands, ongoing shifts in tax law lowered taxes on private timber so significantly that when the money from logging on public lands dried up, counties weren't left with much.

While some changes to tax law, such as



Chuck Willer

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