
SUBSTITUTE HOUSE BILL 2505

State of Washington

54th Legislature

1996 Regular Session

By House Committee on Agriculture & Ecology (originally sponsored by Representatives Mastin, Schoesler, Chandler, Mulliken, Sheahan and Boldt)

Read first time 01/29/96.

1 AN ACT Relating to business and occupation tax on the handling of
2 hay, alfalfa, or seed; amending RCW 82.04.120; and reenacting and
3 amending RCW 82.04.260.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.04.120 and 1989 c 302 s 201 are each amended to
6 read as follows:

7 "To manufacture" embraces all activities of a commercial or
8 industrial nature wherein labor or skill is applied, by hand or
9 machinery, to materials so that as a result thereof a new, different or
10 useful substance or article of tangible personal property is produced
11 for sale or commercial or industrial use, and shall include the
12 production or fabrication of special made or custom made articles.

13 "To manufacture" shall not include: Conditioning of seed for use
14 in planting; baling, compressing, or cubing of hay or alfalfa for sale
15 or use as feed stock; or activities which consist of cutting, grading,
16 or ice glazing seafood which has been cooked, frozen or canned outside
17 this state.

1 **Sec. 2.** RCW 82.04.260 and 1995 2nd sp.s. c 12 s 1 and 1995 2nd
2 sp.s. c 6 s 1 are each reenacted and amended to read as follows:

3 (1) Upon every person engaging within this state in the business of
4 buying wheat, oats, dry peas, dry beans, lentils, triticale, canola,
5 corn, rye and barley, but not including any manufactured or processed
6 products thereof, and selling the same at wholesale; the tax imposed
7 shall be equal to the gross proceeds derived from such sales multiplied
8 by the rate of 0.011 percent.

9 (2) Upon every person engaging within this state in the business of
10 manufacturing wheat into flour, barley into pearl barley, soybeans into
11 soybean oil, canola into canola oil, canola meal, or canola byproducts,
12 or sunflower seeds into sunflower oil; as to such persons the amount of
13 tax with respect to such business shall be equal to the value of the
14 flour, pearl barley, oil, canola meal, or canola byproduct
15 manufactured, multiplied by the rate of 0.138 percent.

16 (3) Upon every person engaging within this state in the business of
17 splitting or processing dried peas; as to such persons the amount of
18 tax with respect to such business shall be equal to the value of the
19 peas split or processed, multiplied by the rate of 0.275 percent.

20 (4) Upon every person engaging within this state in the business of
21 manufacturing seafood products which remain in a raw, raw frozen, or
22 raw salted state at the completion of the manufacturing by that person;
23 as to such persons the amount of tax with respect to such business
24 shall be equal to the value of the products manufactured, multiplied by
25 the rate of 0.138 percent.

26 (5) Upon every person engaging within this state in the business of
27 manufacturing by canning, preserving, freezing or dehydrating fresh
28 fruits and vegetables; as to such persons the amount of tax with
29 respect to such business shall be equal to the value of the products
30 canned, preserved, frozen or dehydrated multiplied by the rate of 0.33
31 percent.

32 (6) Upon every nonprofit corporation and nonprofit association
33 engaging within this state in research and development, as to such
34 corporations and associations, the amount of tax with respect to such
35 activities shall be equal to the gross income derived from such
36 activities multiplied by the rate of 0.484 percent.

37 (7) Upon every person engaging within this state in the business of
38 slaughtering, breaking and/or processing perishable meat products and/
39 or selling the same at wholesale only and not at retail; as to such

1 persons the tax imposed shall be equal to the gross proceeds derived
2 from such sales multiplied by the rate of 0.138 percent.

3 (8) Upon every person engaging within this state in the business of
4 making sales, at retail or wholesale, of nuclear fuel assemblies
5 manufactured by that person, as to such persons the amount of tax with
6 respect to such business shall be equal to the gross proceeds of sales
7 of the assemblies multiplied by the rate of 0.275 percent.

8 (9) Upon every person engaging within this state in the business of
9 manufacturing nuclear fuel assemblies, as to such persons the amount of
10 tax with respect to such business shall be equal to the value of the
11 products manufactured multiplied by the rate of 0.275 percent.

12 (10) Upon every person engaging within this state in the business
13 of acting as a travel agent; as to such persons the amount of the tax
14 with respect to such activities shall be equal to the gross income
15 derived from such activities multiplied by the rate of 0.275 percent.

16 (11) Upon every person engaging within this state in business as an
17 international steamship agent, international customs house broker,
18 international freight forwarder, vessel and/or cargo charter broker in
19 foreign commerce, and/or international air cargo agent; as to such
20 persons the amount of the tax with respect to only international
21 activities shall be equal to the gross income derived from such
22 activities multiplied by the rate of 0.363 percent.

23 (12) Upon every person engaging within this state in the business
24 of stevedoring and associated activities pertinent to the movement of
25 goods and commodities in waterborne interstate or foreign commerce; as
26 to such persons the amount of tax with respect to such business shall
27 be equal to the gross proceeds derived from such activities multiplied
28 by the rate of 0.363 percent. Persons subject to taxation under this
29 subsection shall be exempt from payment of taxes imposed by chapter
30 82.16 RCW for that portion of their business subject to taxation under
31 this subsection. Stevedoring and associated activities pertinent to
32 the conduct of goods and commodities in waterborne interstate or
33 foreign commerce are defined as all activities of a labor, service or
34 transportation nature whereby cargo may be loaded or unloaded to or
35 from vessels or barges, passing over, onto or under a wharf, pier, or
36 similar structure; cargo may be moved to a warehouse or similar holding
37 or storage yard or area to await further movement in import or export
38 or may move to a consolidation freight station and be stuffed,
39 unstuffed, containerized, separated or otherwise segregated or

1 aggregated for delivery or loaded on any mode of transportation for
2 delivery to its consignee. Specific activities included in this
3 definition are: Wharfage, handling, loading, unloading, moving of
4 cargo to a convenient place of delivery to the consignee or a
5 convenient place for further movement to export mode; documentation
6 services in connection with the receipt, delivery, checking, care,
7 custody and control of cargo required in the transfer of cargo;
8 imported automobile handling prior to delivery to consignee; terminal
9 stevedoring and incidental vessel services, including but not limited
10 to plugging and unplugging refrigerator service to containers,
11 trailers, and other refrigerated cargo receptacles, and securing ship
12 hatch covers.

13 (13) Upon every person engaging within this state in the business
14 of disposing of low-level waste, as defined in RCW 43.145.010; as to
15 such persons the amount of the tax with respect to such business shall
16 be equal to the gross income of the business, excluding any fees
17 imposed under chapter 43.200 RCW, multiplied by the rate of 3.3
18 percent.

19 If the gross income of the taxpayer is attributable to activities
20 both within and without this state, the gross income attributable to
21 this state shall be determined in accordance with the methods of
22 apportionment required under RCW 82.04.460.

23 (14) Upon every person engaging within this state as an insurance
24 agent, insurance broker, or insurance solicitor licensed under chapter
25 48.17 RCW; as to such persons, the amount of the tax with respect to
26 such licensed activities shall be equal to the gross income of such
27 business multiplied by the rate of 0.55 percent.

28 (15) Upon every person engaging within this state in business as a
29 hospital, as defined in chapter 70.41 RCW, that is operated as a
30 nonprofit corporation or by the state or any of its political
31 subdivisions, as to such persons, the amount of tax with respect to
32 such activities shall be equal to the gross income of the business
33 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
34 percent thereafter. The moneys collected under this subsection shall
35 be deposited in the health services account created under RCW
36 43.72.900.

37 (16) Upon every person engaging within this state in the business
38 of making sales at wholesale of seed conditioned for use in planting;

1 the tax imposed shall be equal to the gross proceeds derived from such
2 sales multiplied by the rate of 0.011 percent.

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