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SENATE BILL 6356

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State of Washington

54th Legislature

1996 Regular Session

By Senators Morton, West, Hochstatter, Hargrove, Snyder, Sellar, Zarelli, A. Anderson, Oke, Rasmussen and Swecker

Read first time 01/12/96. Referred to Committee on Ways & Means.

1 AN ACT Relating to tax exemptions for equipment used in harvesting  
2 or processing forest products; adding a new section to chapter 82.08  
3 RCW; and adding a new section to chapter 82.12 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW  
6 to read as follows:

7 (1) The tax levied by RCW 82.08.020 shall not apply to sales to a  
8 person or business for hire of machinery and equipment used directly in  
9 the harvesting or processing of trees or logs, but only when the  
10 purchaser provides the seller with an exemption certificate in a form  
11 and manner prescribed by the department by rule and the purchaser  
12 provides the department with a duplicate of the certificate or a  
13 summary of exempt sales as the department may require. The seller  
14 shall retain a copy of the certificate for the seller's files.

15 (2) For purposes of this section and section 2 of this act:

16 (a) "Machinery and equipment" means mechanized logging equipment  
17 used in the harvesting or processing of trees or logs; and

18 (b) "Machinery and equipment" does not include:

19 (i) Hand tools;

- 1 (ii) Hand-held power tools and saws;  
2 (iii) Property with a useful life of less than one year;  
3 (iv) Repair parts required to restore machinery and equipment to  
4 normal working order; and  
5 (v) Replacement parts that do not increase productivity, improve  
6 efficiency, or extend the useful life of the machinery and equipment.  
7 (3) This section applies to all purchases of machinery and  
8 equipment made on or after July 1, 1995.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW  
10 to read as follows:

11 (1) The provisions of this chapter shall not apply in respect to  
12 the use by a manufacturer or processor for hire of machinery and  
13 equipment used directly in the harvesting or processing of trees or  
14 logs, but only when the user provides the department with:

15 (a) An exemption certificate in a form and manner prescribed by the  
16 department within sixty days of the first use of the machinery and  
17 equipment in this state; or

18 (b) An annual summary listing the machinery and equipment by  
19 January 31 of the year following the calendar year in which the  
20 machinery and equipment is first used in the state.

21 (2) The definitions in section 1 of this act apply to this section.

22 (3) This section applies to all purchases of machinery and  
23 equipment made on or after July 1, 1995.

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