

FINAL BILL REPORT

SHB 1358

C 127 L 97

Synopsis as Enacted

Brief Description: Excluding materials purchased by farmers to improve wildlife habitat or forage from the definition of "sale at retail" or "retail sale" for tax purposes.

Sponsors: By House Committee on Natural Resources (originally sponsored by Representatives Buck, Regala, Sump, Schoesler, Johnson, Linville, Sheldon, Wensman and Kessler; by request of Department of Revenue).

House Committee on Natural Resources
Senate Committee on Natural Resources & Parks

Background: The Washington tax code makes most personal property items and personal, business, or professional services subject to "retail sales" or "sale at retail" tax. The code exempts from this sales tax sales of certain items such as feed, seeds, and fertilizer, used by participants in federal conservation reserve programs administered by the U.S. Department of Agriculture; sales of certain items to farmers for producing any agricultural product for sale; and sales of chemical sprays or washes to anyone for the purpose of post-harvest treatment of fruit for prevention of fungus or decay.

Summary: The exemptions from the retail sales tax are amended to add sales of feed, seed, seedlings, fertilizer, agents for enhanced pollination including insects such as bees, and spray materials to farmers acting under cooperative habitat development or access contracts with the Department of Fish and Wildlife or other nonprofit groups designated as nonprofit under federal law to produce or improve wildlife habitat on land that the farmer owns or leases. Participants in three additional federal environmental programs are also eligible for the sales tax exemption.

Votes on Final Passage:

House 94 3
Senate 48 0

Effective: July 1, 1997