

SENATE BILL REPORT

SHB 1358

As Reported By Senate Committee On:
Natural Resources & Parks, April 3, 1997

Title: An act relating to the taxation of materials purchased by farmers to improve wildlife habitat or forage.

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: 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).

Brief History:

Committee Activity: Natural Resources & Parks: 4/3/97 [DP].

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Majority Report: Do pass.

Signed by Senators Oke, Chair; Rossi, Vice Chair; Hargrove, Jacobsen, Morton, Prentice, Snyder, Spanel, Stevens and Swecker.

Staff: Ross Antipa (786-7413)

Background: The Washington Tax Code sets forth the personal property items and personal, business, or professional services that are subject to "retail sales" or "sale at retail" tax. The code exempts from the "retail sale" or "sale at retail" tax, sales of certain items used by participants in federal conservation reserve programs administered by the 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 from the "retail sale" or "sale at retail" tax.

Summary of Bill: 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 Washington Department of Fish and Wildlife or other nonprofit groups designated as such under 26 U.S.C. 501(c)(3) to produce or improve wildlife habitat on land that the farmer owns or leases are exempt from retail sales tax. Participants in three additional federal environmental programs are eligible for the sales tax exemption as well.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1997.

Testimony For: Materials used for habitat development should not be subject to sales tax.

Testimony Against: None.

Testified: Jim Hedrick, DOR (pro).