

SENATE BILL REPORT

SB 5593

As Passed Senate, March 11, 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: Senators Oke and Rasmussen; by request of Department of Revenue.

Brief History:

Committee Activity: Agriculture & Environment: 2/12/97, 2/13/97 [DP].
Passed Senate, 3/11/97, 49-0.

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

Majority Report: Do pass.

Signed by Senators Morton, Chair; Swecker, Vice Chair; Fraser, McAuliffe, Newhouse, Oke and Rasmussen.

Staff: Vic Moon (786-7469)

Background: When farmers improve their property under a cooperative habitat development plan or an access contract with the Department of Fish and Wildlife to produce or improve wildlife habitat, they have to pay retail sales tax on the materials purchased to improve that habitat or forage for wildlife.

Summary of Bill: The definition of sale at retail— is amended so that retail sales tax does not apply to farmers acting under a cooperative habitat development or access contract. The contract is with the Department of Fish and Wildlife and is specifically designed to produce or improve wildlife habitat on land that the farmer owns or leases.

Appropriation: None.

Fiscal Note: Requested on February 4, 1997.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: Many of the materials used for habitat improvement are tax exempt if used for agricultural use but not for habitat improvement use.

Testimony Against: None.

Testified: PRO: Jim Hedrick, Department of Revenue; Enid Layes, Washington Horticulture Association; Mike Schwisow, Washington Potato Commission.

