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HOUSE BILL 1926

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Sterk, Sheahan, Crouse, Benson, Schoesler, Koster, Chandler, Mastin, Mulliken, Dunn and McMorris

Read first time 02/14/97. Referred to Committee on Agriculture & Ecology.

1 AN ACT Relating to excise tax exemptions for agricultural machinery  
2 and equipment used in field and turf grass seed farming; adding a new  
3 section to chapter 82.08 RCW; and adding a new section to chapter 82.12  
4 RCW.

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

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

8 (1) The tax levied by RCW 82.08.020 shall not apply to sales to a  
9 field and turf grass seed farmer of machinery and equipment used  
10 directly in field and turf grass seed farming, or to sales of or  
11 charges made for labor and services rendered in respect to installing,  
12 repairing, cleaning, altering, or improving the machinery and  
13 equipment, but only when the purchaser provides the seller with an  
14 exemption certificate in a form and manner prescribed by the department  
15 by rule, and the purchaser provides the department with a duplicate of  
16 the certificate or a summary of exempt sales as the department may  
17 require. The seller shall retain a copy of the certificate for the  
18 seller's files.

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

1 (a) "Farmer" is defined as provided in RCW 82.04.213.

2 (b) "Field and turf grass seed farmer" means a farmer who:

3 (i) Burned acreage dedicated to production of field or turf grass  
4 grown for seed under a valid permit issued by the department of ecology  
5 in 1995; or

6 (ii) Would have burned acreage dedicated to production of field or  
7 turf grass grown for seed in 1995 but did not because the acreage was  
8 planted in other crops under a crop rotation plan or was removed from  
9 production under a crop rotation plan.

10 (c) "Machinery and equipment" includes tangible personal property  
11 that becomes an ingredient or component thereof, including repair parts  
12 and replacement parts.

13 (d) "Machinery and equipment" does not include:

14 (i) Hand tools;

15 (ii) Property with a useful life of less than one year;

16 (iii) Buildings, other than machinery and equipment that is  
17 permanently affixed to or becomes a physical part of a building;

18 (iv) Building fixtures that are not integral to farming that are  
19 permanently affixed to and become a physical part of a building, such  
20 as utility systems for heating, ventilation, air conditioning,  
21 communications, plumbing, or electrical; and

22 (v) Vehicles that are not farm vehicles as defined in RCW  
23 46.04.181.

24 (e) Machinery and equipment is "used directly in field and turf  
25 grass seed farming" if the machinery and equipment is used in:

26 (i) Planting, growing, producing, harvesting, or initial storage of  
27 field and turf grass seed; or

28 (ii) Movement of field and turf grass seed from the place of  
29 harvest to the place of initial storage.

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

32 (1) The provisions of this chapter shall not apply in respect to  
33 the use by a field and turf grass seed farmer of machinery and  
34 equipment used directly in field and turf grass seed farming, but only  
35 when the user provides the department with:

36 (a) An exemption certificate in a form and manner prescribed by the  
37 department within sixty days of the first use of such machinery and  
38 equipment in this state; or

1           (b) An annual summary listing the machinery and equipment by  
2 January 31st of the year following the calendar year in which the  
3 machinery and equipment is first used in this state.  
4           (2) The definitions in section 1 of this act apply to this section.

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