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HOUSE BILL 2183

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State of Washington                      55th Legislature                      1997 Regular Session

By Representatives Buck, Hatfield, Doumit, Lantz, Dunshee and Kessler

Read first time 02/25/97. Referred to Committee on Natural Resources.

1            AN ACT Relating to eliminating shellfish from the tax on enhanced  
2 food fish; and amending RCW 82.27.010, 82.27.020, 82.27.030, and  
3 43.06.400.

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

5            **Sec. 1.** RCW 82.27.010 and 1995 c 372 s 4 are each amended to read  
6 as follows:

7            As used in this chapter, the following terms have the meanings  
8 indicated unless the context clearly requires otherwise.

9            (1) "Enhanced food fish" includes all species of food fish, except  
10 all species of tuna, mackerel, and jack; (~~shellfish~~) and anadromous  
11 game fish, including byproducts and parts thereof, originating within  
12 the territorial and adjacent waters of Washington and salmon  
13 originating from within the territorial and adjacent waters of Oregon,  
14 Washington, and British Columbia, and all troll-caught Chinook salmon  
15 originating from within the territorial and adjacent waters of  
16 southeast Alaska. As used in this subsection, "adjacent" waters of  
17 Oregon, Washington, and Alaska are those comprising the United States  
18 fish conservation zone; "adjacent" waters of British Columbia are those  
19 comprising the Canadian two hundred mile exclusive economic zone; and

1 "southeast Alaska" means that portion of Alaska south and east of Cape  
2 Suckling to the Canadian border. For purposes of this chapter, point  
3 of origination is established by a document which identifies the  
4 product and state or province in which it originates, including, but  
5 not limited to fish tickets, bills of lading, invoices, or other  
6 documentation required to be kept by governmental agencies.

7 (2) "Commercial" means related to or connected with buying,  
8 selling, bartering, or processing.

9 (3) "Possession" means the control of enhanced food fish by the  
10 owner and includes both actual and constructive possession.  
11 Constructive possession occurs when the person has legal ownership but  
12 not actual possession of the enhanced food fish.

13 (4) "Anadromous game fish" means steelhead trout and anadromous  
14 cutthroat trout and Dolly Varden char and includes byproducts and also  
15 parts of anadromous game fish, whether fresh, frozen, canned, or  
16 otherwise.

17 (5) "Landed" means the act of physically placing enhanced food fish  
18 (a) on a tender in the territorial waters of Washington; or (b) on any  
19 land within or without the state of Washington including wharves,  
20 piers, or any such extensions therefrom.

21 **Sec. 2.** RCW 82.27.020 and 1993 sp.s. c 17 s 12 are each amended to  
22 read as follows:

23 (1) In addition to all other taxes, licenses, or fees provided by  
24 law there is established an excise tax on the commercial possession of  
25 enhanced food fish as provided in this chapter. The tax is levied upon  
26 and shall be collected from the owner of the enhanced food fish whose  
27 possession constitutes the taxable event. The taxable event is the  
28 first possession in Washington by an owner. Processing and handling of  
29 enhanced food fish by a person who is not the owner is not a taxable  
30 event to the processor or handler.

31 (2) A person in possession of enhanced food fish and liable to this  
32 tax may deduct from the price paid to the person from which the  
33 enhanced food fish (~~((except oysters))~~) are purchased an amount equal  
34 to a tax at one-half the rate levied in this section upon these  
35 products.

36 (3) The measure of the tax is the value of the enhanced food fish  
37 at the point of landing.

1 (4) The tax shall be equal to the measure of the tax multiplied by  
2 the rates for enhanced food fish as follows:

3 (a) Chinook, coho, and chum salmon and anadromous game fish: Five  
4 and twenty-five one-hundredths percent.

5 (b) Pink and sockeye salmon: Three and fifteen one-hundredths  
6 percent.

7 (c) Other food fish (~~(and shellfish, except oysters)~~): Two and  
8 one-tenth percent.

9 (~~((d) Oysters: Eight one hundredths of one percent.))~~

10 (5) An additional tax is imposed equal to the rate specified in RCW  
11 82.02.030 multiplied by the tax payable under subsection (4) of this  
12 section.

13 **Sec. 3.** RCW 82.27.030 and 1995 2nd sp.s. c 7 s 1 are each amended  
14 to read as follows:

15 The tax imposed by RCW 82.27.020 shall not apply to: (1) Enhanced  
16 food fish originating outside the state which enters the state as (a)  
17 frozen enhanced food fish or (b) enhanced food fish packaged for retail  
18 sales; (2) the growing, processing, or dealing with food fish (~~or~~  
19 ~~shellfish~~) which are raised from eggs, fry, or larvae and which are  
20 under the physical control of the grower at all times until being sold  
21 or harvested; and (3) food fish, (~~shellfish,~~) anadromous game fish,  
22 and byproducts or parts of food fish shipped from outside the state  
23 which enter the state, except as provided in RCW 82.27.010, provided  
24 the taxpayer must have documentation showing shipping origination of  
25 fish exempt under this subsection to qualify for exemption. Such  
26 documentation includes, but is not limited to fish tickets, bills of  
27 lading, invoices, or other documentation required to be kept by  
28 governmental agencies.

29 **Sec. 4.** RCW 43.06.400 and 1987 c 472 s 16 are each amended to read  
30 as follows:

31 Beginning in January, 1984, and in January of every even-numbered  
32 year thereafter, the department of revenue shall submit to the  
33 legislature prior to the regular session a listing of the amount of  
34 reduction for the current and next biennium in the revenues of the  
35 state or the revenues of local government collected by the state as a  
36 result of tax exemptions. The listing shall include an estimate of the  
37 revenue lost from the tax exemption, the purpose of the tax exemption,

1 the persons, organizations, or parts of the population which benefit  
2 from the tax exemption, and whether or not the tax exemption conflicts  
3 with another state program. The listing shall include but not be  
4 limited to the following revenue sources:

5 (1) Real and personal property tax exemptions under Title 84 RCW;

6 (2) Business and occupation tax exemptions, deductions, and credits  
7 under chapter 82.04 RCW;

8 (3) Retail sales and use tax exemptions under chapters 82.08,  
9 82.12, and 82.14 RCW;

10 (4) Public utility tax exemptions and deductions under chapter  
11 82.16 RCW;

12 (5) Food fish ((and shellfish)) tax exemptions under chapter 82.27  
13 RCW;

14 (6) Leasehold excise tax exemptions under chapter 82.29A RCW;

15 (7) Motor vehicle and special fuel tax exemptions and refunds under  
16 chapters 82.36 and 82.38 RCW;

17 (8) Aircraft fuel tax exemptions under chapter 82.42 RCW;

18 (9) Motor vehicle excise tax exclusions under chapter 82.44 RCW;  
19 and

20 (10) Insurance premiums tax exemptions under chapter 48.14 RCW.

21 The department of revenue shall prepare the listing required by  
22 this section with the assistance of any other agencies or departments  
23 as may be required.

24 The department of revenue shall present the listing to the ways and  
25 means committees of each house in public hearings.

26 Beginning in January, 1984, and every four years thereafter the  
27 governor is requested to review the report from the department of  
28 revenue and may submit recommendations to the legislature with respect  
29 to the repeal or modification of any tax exemption. The ways and means  
30 committees of each house and the appropriate standing committee of each  
31 house shall hold public hearings and take appropriate action on the  
32 recommendations submitted by the governor.

33 As used in this section, "tax exemption" means an exemption,  
34 exclusion, or deduction from the base of a tax; a credit against a tax;  
35 a deferral of a tax; or a preferential tax rate.

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