

FINAL BILL REPORT

HB 2303

C 5 L 99 E 1

Synopsis as Enacted

Brief Description: Establishing an effective date for the 1999 timber tax credit.

Sponsors: Representatives Regala and Buck.

Background:

The timber excise tax is paid when timber is harvested. The state tax rate equals 5 percent of the stumpage value. The tax applies to timber harvested on public and private lands. A county tax equal to 4 percent applies to harvests on private lands and is credited against the state tax. Therefore, the effective state rate is 1 percent on timber harvested from private land and 5 percent on timber harvested from public lands. The state tax is deposited in the general fund. The local tax is distributed to property taxing districts within the county.

A tax credit was enacted during the 1999 special session for timber harvested under a harvest permit subject to "enhanced aquatic resources requirements." This covers land which includes: riparian areas, wetlands, steep or unstable slopes, a federally approved habitat conservation plan, or road maintenance plan approved by the Department of Natural Resources. The credit is equal to 0.8 of 1 percent of the stumpage value of timber harvested. Because the legislation did not specify an effective date for the new credit, it would take effect 90 days after the end of the special session.

Summary:

The timber tax credit for timber harvested under a harvest permit subject to enhanced aquatic resources requirements is effective for timber harvested on and after January 1, 2000.

Votes on Final Passage:

First Special Session

House 96 1

Senate 43 0

Effective: August 18, 1999