State of Washington 57th Legislature 2001 Regular Session

By Representatives Jackley, Cairnes and Dunshee; by request of Department of Revenue

Read first time 01/24/2001. Referred to Committee on Finance.

1 AN ACT Relating to simplifying excise tax application and administration; amending RCW 11.02.005, 82.04.2635, 82.04.2907, 82.08.0287, 82.12.0282, 82.12.834, 82.14.055, 82.27.020, 82.32.410, 82.32.430, 82.62.010, 82.62.030, 82.62.050, 83.100.020, and 84.33.200; adding a new section to chapter 82.16 RCW; adding a new section to chapter 84.33 RCW; creating a new section; prescribing penalties; providing an effective date; providing an expiration date; and declaring an emergency.

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

Sec. 1. RCW 11.02.005 and 2000 c 130 s 1 are each amended to read as follows:

When used in this title, unless otherwise required from the context:

(1) "Personal representative" includes executor, administrator, special administrator, and guardian or limited guardian and special representative.

(2) "Net estate" refers to the real and personal property of a decedent exclusive of homestead rights, exempt property, the family
allowance and enforceable claims against, and debts of, the deceased or the estate.

(3) "Representation" refers to a method of determining distribution in which the takers are in unequal degrees of kinship with respect to the intestate, and is accomplished as follows: After first determining who, of those entitled to share in the estate, are in the nearest degree of kinship, the estate is divided into equal shares, the number of shares being the sum of the number of persons who survive the intestate who are in the nearest degree of kinship and the number of persons in the same degree of kinship who died before the intestate but who left issue surviving the intestate; each share of a deceased person in the nearest degree shall be divided among those of the deceased person’s issue who survive the intestate and have no ancestor then living who is in the line of relationship between them and the intestate, those more remote in degree taking together the share which their ancestor would have taken had he or she survived the intestate. Posthumous children are considered as living at the death of their parent.

(4) "Issue" includes all the lawful lineal descendants of the ancestor and all lawfully adopted children.

(5) "Degree of kinship" means the degree of kinship as computed according to the rules of the civil law; that is, by counting upward from the intestate to the nearest common ancestor and then downward to the relative, the degree of kinship being the sum of these two counts.

(6) "Heirs" denotes those persons, including the surviving spouse, who are entitled under the statutes of intestate succession to the real and personal property of a decedent on the decedent’s death intestate.

(7) "Real estate" includes, except as otherwise specifically provided herein, all lands, tenements, and hereditaments, and all rights thereto, and all interest therein possessed and claimed in fee simple, or for the life of a third person.

(8) "Will" means an instrument validly executed as required by RCW 11.12.020.

(9) "Codicil" means a will that modifies or partially revokes an existing earlier will. A codicil need not refer to or be attached to the earlier will.

(10) "Guardian" or "limited guardian" means a personal representative of the person or estate of an incompetent or disabled
person as defined in RCW 11.88.010 and the term may be used in lieu of
"personal representative" wherever required by context.

(11) "Administrator" means a personal representative of the estate
of a decedent and the term may be used in lieu of "personal
representative" wherever required by context.

(12) "Executor" means a personal representative of the estate of a
decedent appointed by will and the term may be used in lieu of
"personal representative" wherever required by context.

(13) "Special administrator" means a personal representative of the
estate of a decedent appointed for limited purposes and the term may be
used in lieu of "personal representative" wherever required by context.

(14) "Trustee" means an original, added, or successor trustee and
includes the state, or any agency thereof, when it is acting as the
trustee of a trust to which chapter 11.98 RCW applies.

(15) "Nonprobate asset" means those rights and interests of a
person having beneficial ownership of an asset that pass on the
person's death under a written instrument or arrangement other than the
person's will. "Nonprobate asset" includes, but is not limited to, a
right or interest passing under a joint tenancy with right of
survivorship, joint bank account with right of survivorship, payable on
death or trust bank account, transfer on death security or security
account, deed or conveyance if possession has been postponed until the
death of the person, trust of which the person is grantor and that
becomes effective or irrevocable only upon the person's death,
community property agreement, individual retirement account or bond, or
note or other contract the payment or performance of which is affected
by the death of the person. "Nonprobate asset" does not include: A
payable-on-death provision of a life insurance policy, annuity, or
other similar contract, or of an employee benefit plan; a right or
interest passing by descent and distribution under chapter 11.04 RCW;
a right or interest if, before death, the person has irrevocably
transferred the right or interest, the person has waived the power to
transfer it or, in the case of contractual arrangement, the person has
waived the unilateral right to rescind or modify the arrangement; or a
right or interest held by the person solely in a fiduciary capacity.
For the definition of "nonprobate asset" relating to revocation of a
provision for a former spouse upon dissolution of marriage or
declaration of invalidity of marriage, RCW 11.07.010(5) applies. For
the definition of "nonprobate asset" relating to revocation of a
 provision for a former spouse upon dissolution of marriage or
declaration of invalidity of marriage, see RCW 11.07.010(5). For the
definition of "nonprobate asset" relating to testamentary disposition
of nonprobate assets, see RCW 11.11.010(7).
(16) "Internal Revenue Code" means the United States Internal
Revenue Code of 1986, as amended or renumbered (on) as of January 1,
(17) References to "section 2033A" of the Internal Revenue Code in
wills, trust agreements, powers of appointment, beneficiary
designations, and other instruments governed by or subject to this
title shall be deemed to refer to the comparable or corresponding
provisions of section 2057 of the Internal Revenue Code, as added by
section 6006(b) of the Internal Revenue Service Restructuring Act of
1998 (H.R. 2676, P.L. 105-206); and references to the section 2033A
"exclusion" shall be deemed to mean the section 2057 deduction.
Words that import the singular number may also be applied to the
plural of persons and things.
Words importing the masculine gender only may be extended to
females also.

Sec. 2. RCW 82.04.2635 and 1998 c 308 s 3 are each amended to read
as follows:
(1) Upon every person engaging within this state in the business of
environmental remedial action, the amount of tax with respect to such
business shall be equal to the value of the gross income of the
business multiplied by the rate 0.471 percent.
(2) For purposes of this chapter, "environmental remedial action"
means:
(a) Those services related to the identification, investigation, or
cleanup arising out of the release or threatened release of hazardous
substances that are conducted under contract with the department of
ecology or under an enforcement order, agreed order, or consent decree
executed by the department of ecology, or those services, when
evaluated as a whole, that are the substantial equivalent of a
department of ecology-conducted or supervised remedial action under the
model toxics control act, chapter 70.105D RCW; or
(b) Those services related to the identification, investigation, or
cleanup of a facility that are conducted under contract with the United
States environmental protection agency or under an order or consent
decree executed by the United States environmental protection agency, or that are consistent with the national contingency plan adopted under the comprehensive environmental response compensation and liability act, 42 U.S.C. Sec. 9605 as it exists on July 1, 1998, and those services are conducted at facilities that are included on the national priorities list adopted under 42 U.S.C. Sec. 9605 as it exists on July 1, 1998, or at facilities subject to a removal action authorized under 42 U.S.C. Sec. 9604 as it exists on July 1, 1998.

(3) A site is eligible for environmental remedial action upon submittal, via certified mail to the department of ecology and the department of revenue, of the following:

(a) A certification from the owner, the department of ecology, or the United States environmental protection agency, containing the following information:

(i) The location of the site, shown on a map and identified by parcel number or numbers and street address;

(ii) The name and address and daytime phone number of a contact person;

(iii) A statement that the proposed environmental remedial actions will be conducted by the department of ecology or its authorized contractor under chapter 70.105D RCW or will be substantially equivalent to a department of ecology-conducted or supervised remedial action under the model toxics control act, chapter 70.105D RCW, or will be conducted by the United States environmental protection agency or its authorized contractor or will be consistent with the national contingency plan under 42 U.S.C. Sec. 9605 as it exists on July 1, 1998; and

(iv) A description of the proposed environmental remedial actions to be taken; and

(b)(i) A certification from a certified underground storage tank service supervisor as authorized in chapter 90.76 RCW, from a professional engineer licensed in the state of Washington, or from an environmental professional who subscribes to a code of professional responsibility administered by a recognized organization representing such professions containing the following information:

(A) Confirmation that an environmental remedial action as defined in this section is to be conducted at the site;
(B) The location of the site, shown on a map and identified by parcel number or numbers and street address, and the approximate location of the proposed environmental remedial action; and

(C) The name, address, telephone number, and uniform business identifier of the person providing the certification; or

(ii) If applicable to the site, a copy of an enforcement order, agreed order, or consent decree executed by the department of ecology or the United States environmental protection agency.

(4) The department of revenue shall respond in writing to the owner within thirty days confirming receipt of the certification, or certifications, of eligibility. Under RCW 82.32.330(3)(m), certification is subject to disclosure and copies may be obtained from the department upon request. The request shall be in writing and shall identify the site by county and parcel number or numbers.

(5) The owner shall provide a copy of the confirmation from the department of revenue to each person who renders environmental remedial action at the site. Each person who renders such action shall separately state the charges for labor and services associated with the environmental remedial action.

(6) Upon completion of the environmental remedial action, the owner shall submit to the department of ecology a report documenting the environmental remedial actions conducted at the site and documenting compliance with the requirements of chapter 70.105D RCW.

(7) In addition to any other penalties, a person who files a certificate with the department of ecology or the department of revenue that contains falsehoods or misrepresentations are subject to penalties authorized under chapter 18.43 or 90.76 RCW or RCW 9A.76.175. Also, a person who improperly reports the person’s tax class shall be assessed a penalty of fifty percent of the tax due, in addition to other taxes or penalties, together with interest. The department of revenue shall waive the penalty imposed under this section if it finds that the falsehoods or misrepresentations or improper reporting of the tax classification was due to circumstances beyond the control of the person.

(8) This section expires July 1, 2003.

Sec. 3. RCW 82.04.2907 and 1998 c 331 s 1 are each amended to read as follows:
Upon every person engaging within this state in the business of receiving income from royalties or charges in the nature of royalties for the granting of intangible rights, such as copyrights, licenses, patents, or franchise fees, the amount of tax with respect to such business shall be equal to the gross income from royalties or charges in the nature of royalties from the business multiplied by the rate of 0.484 percent.

"Royalties" means compensation for the use of intangible property, such as copyrights, patents, licenses, franchises, trademarks, trade names, and similar items. It does not include compensation for any natural resource or licensing of canned software to the end user.

Sec. 4. RCW 82.08.0287 and 1996 c 244 s 4 are each amended to read as follows:
The tax imposed by this chapter shall not apply to sales of passenger motor vehicles which are to be used for commuter ride sharing or ride sharing for persons with special transportation needs, as defined in RCW 46.74.010, if the vehicles are used as ride-sharing vehicles (are exempt under RCW 82.44.015)) for thirty-six consecutive months beginning (within thirty days of application for exemption under this section. If used as a ride-sharing vehicle for less than thirty-six consecutive months, the registered owner of one of these vehicles shall notify the department of revenue upon termination of primary use of the vehicle as a ride-sharing vehicle and is liable for the tax imposed by this chapter) from the date of purchase.

To qualify for the tax exemption, those passenger motor vehicles with five or six passengers, including the driver, used for commuter ride-sharing, must be operated either within the state’s eight largest counties that are required to develop commute trip reduction plans as directed by chapter 70.94 RCW or in other counties, or cities and towns within those counties, that elect to adopt and implement a commute trip reduction plan. Additionally at least one of the following conditions must apply: (1) The vehicle must be operated by a public transportation agency for the general public; or (2) the vehicle must be used by a major employer, as defined in RCW 70.94.524 as an element of its commute trip reduction program for their employees; or (3) the vehicle must be owned and operated by individual employees and must be registered either with the employer as part of its commute trip reduction program or with a public transportation agency serving the.
area where the employees live or work. Individual employee owned and
operated motor vehicles will require certification that the vehicle is
registered with a major employer or a public transportation agency.
Major employers who own and operate motor vehicles for their employees
must certify that the commuter ride-sharing arrangement conforms to a
carpool/vanpool element contained within their commute trip reduction
program.

Sec. 5. RCW 82.12.0282 and 1999 c 358 s 11 are each amended to
read as follows:
The tax imposed by this chapter shall not apply with respect to the
use of passenger motor vehicles used as ride-sharing vehicles by not
less than five persons, including the driver, with a gross vehicle
weight not to exceed 10,000 pounds where the primary usage is for
commuter ride-sharing, as defined in RCW 46.74.010, by not less than
four persons including the driver when at least two of those persons
are confined to wheelchairs when riding, or passenger motor vehicles
where the primary usage is for ride-sharing for persons with special
transportation needs, as defined in RCW 46.74.010, if the vehicles are
((exempt under RCW 82.44.015)) used as ride-sharing vehicles for
thirty-six consecutive months beginning ((within thirty days of
application for exemption under this section. If used as a ride-
sharing vehicle for less than thirty-six consecutive months, the
registered owner of one of these vehicles shall notify the department
of revenue upon termination of primary use of the vehicle as a ride-
sharing vehicle and is liable for the tax imposed by this chapter))
with the date of first use.

To qualify for the tax exemption, those passenger motor vehicles
with five or six passengers, including the driver, used for commuter
ride-sharing, must be operated either within the state’s eight largest
counties that are required to develop commute trip reduction plans as
directed by chapter 70.94 RCW or in other counties, or cities and towns
within those counties, that elect to adopt and implement a commute trip
reduction plan. Additionally at least one of the following conditions
must apply: (1) The vehicle must be operated by a public
transportation agency for the general public; or (2) the vehicle must
be used by a major employer, as defined in RCW 70.94.524 as an element
of its commute trip reduction program for their employees; or (3) the
vehicle must be owned and operated by individual employees and must be
registered either with the employer as part of its commute trip reduction program or with a public transportation agency serving the area where the employees live or work. Individual employee owned and operated motor vehicles will require certification that the vehicle is registered with a major employer or a public transportation agency. Major employers who own and operate motor vehicles for their employees must certify that the commuter ride-sharing arrangement conforms to a carpool/vanpool element contained within their commute trip reduction program.

Sec. 6. RCW 82.12.834 and 2000 2nd sp.s. c 4 s 22 are each amended to read as follows:

This chapter does not apply to the use of tangible personal property by a seller/lessee ((to a lessor)) under a sale/leaseback agreement under RCW 81.112.300 in respect to tangible personal property used by the seller/lessee, or to the ((purchase amount paid by the lessee)) use of tangible personal property under an exercise of an option to purchase at the end of the lease term, but only if the seller/lessee previously paid any tax otherwise due under this chapter or chapter 82.08 RCW at the time of acquisition of the tangible personal property.

Sec. 7. RCW 82.14.055 and 2000 c 104 s 2 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a local sales and use tax change shall take effect (a) no sooner than seventy-five days after the department receives notice of the change and (b) only on the first day of January, April, July, or October.

(2) In the case of a local sales and use tax that is a credit against the state sales tax or use tax, a local sales and use tax change shall take effect (a) no sooner than thirty days after the department receives notice of the change and (b) only on the first day of a month.

(3) For the purposes of this section, "local sales and use tax change" means enactment or revision of local sales and use taxes under this chapter or any other statute, including changes resulting from referendum or annexation.
NEW SECTION. Sec. 8. A new section is added to chapter 82.16 RCW to read as follows:

The business of collection, receipt, transfer, including transportation between any locations, storage, or disposal of solid waste is not subject to this chapter. Any such business activities are subject to taxation under the classification in RCW 82.04.280(2). "Solid waste" for purposes of this section is defined in RCW 82.18.010.

Sec. 9. RCW 82.27.020 and 1999 c 126 s 3 are each amended to read as follows:

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

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

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

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

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

(b) Pink and sockeye salmon: Three and fifteen one-hundredths percent;

(c) Other food fish and shellfish, except oysters, sea urchins, and sea cucumbers: Two and one-tenth percent;

(d) Oysters: Eight one-hundredths of one percent;

(e) Sea urchins: Four and six-tenths percent through December 31, 2005, and two and one-tenth percent thereafter; and

(f) Sea cucumbers: Four and six-tenths percent through December 31, 2005, and two and one-tenth percent thereafter.
(5) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (4) of this section.

**Sec. 10.** RCW 82.32.410 and 1997 c 409 s 211 are each amended to read as follows:

(1) The director may designate certain written determinations as precedents.

(a) By rule adopted pursuant to chapter 34.05 RCW, the director shall adopt criteria which he or she shall use to decide whether a determination is precedential. These criteria shall include, but not be limited to, whether the determination clarifies an unsettled interpretation of Title 82 RCW or where the determination modifies or clarifies an earlier interpretation.

(b) Written determinations designated as precedents by the director shall be ((indexed by subject matter. The determinations and indexes shall be)) made available for public inspection and shall be published by the department.

(c) The department shall disclose any written determination upon which it relies to support any assessment of tax, interest, or penalty against such taxpayer, after making the deletions provided by subsection (2) of this section.

(2) Before making a written determination available for public inspection under subsection (1) of this section, the department shall delete:

(a) The names, addresses, and other identifying details of the person to whom the written determination pertains and of another person identified in the written determination; and

(b) Information the disclosure of which is specifically prohibited by any statute applicable to the department of revenue, and the department may also delete other information exempted from disclosure by chapter 42.17 RCW or any other statute applicable to the department of revenue.

**Sec. 11.** RCW 82.32.430 and 2000 c 104 s 4 are each amended to read as follows:

A person who collects and remits sales or use tax to the department and who calculates the tax using geographic information system technology developed and provided by the department shall be held
harmless and is not liable for the difference in amount due nor subject to penalties or interest in regards to rate calculation errors resulting from the proper use of such technology.

Sec. 12. RCW 82.62.010 and 1999 sp.s. c 9 s 3 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Applicant" means a person applying for a tax credit under this chapter.

(2) "Department" means the department of revenue.

(3) "Eligible area" means an area as defined in RCW 82.60.020.

(4)(a) "Eligible business project" means manufacturing or research and development activities which are conducted by an applicant in an eligible area at a specific facility, provided the applicant’s average full-time qualified employment positions at the specific facility will be at least fifteen percent greater in the year for which the credit is being sought than the applicant’s average full-time qualified employment positions at the same facility in the immediately preceding year.

(b) "Eligible business project" does not include any portion of a business project undertaken by a light and power business as defined in RCW 82.16.010(5) or that portion of a business project creating qualified full-time employment positions outside an eligible area ((or those recipients of a sales tax deferral under chapter 82.61 RCW)).

(5) "Manufacturing" means the same as defined in RCW 82.04.120. "Manufacturing" also includes computer programming, the production of computer software, and other computer-related services, and the activities performed by research and development laboratories and commercial testing laboratories.

(6) "Person" has the meaning given in RCW 82.04.030.

(7) "Qualified employment position" means a permanent full-time employee employed in the eligible business project during the entire tax year.

(8) "Tax year" means the calendar year in which taxes are due.

(9) "Recipient" means a person receiving tax credits under this chapter.

(10) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or
process before commercial sales have begun. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

Sec. 13. RCW 82.62.030 and 1999 c 164 s 306 are each amended to read as follows:

(1) A person shall be allowed a credit against the tax due under chapter 82.04 RCW as provided in this section. The credit shall equal:
(a) Four thousand dollars for each qualified employment position with wages and benefits greater than forty thousand dollars annually that is directly created in an eligible business and (b) two thousand dollars for each qualified employment position with wages and benefits less than or equal to forty thousand dollars annually that is directly created in an eligible business.

(2) The department shall keep a running total of all credits allowed under this chapter during each fiscal year. The department shall not allow any credits which would cause the total to exceed seven million five hundred thousand dollars in any fiscal year. If all or part of an application for credit is disallowed under this subsection, the disallowed portion shall be carried over to the next fiscal year. However, the carryover into the next fiscal year is only permitted to the extent that the cap for the next fiscal year is not exceeded.

(3) No recipient may use the tax credits to decertify a union or to displace existing jobs in any community in the state.

(4) The credit may be used against any tax due under chapter 82.04 RCW, and may be carried over until used. No refunds may be granted for credits under this section.

Sec. 14. RCW 82.62.050 and 1986 c 116 s 18 are each amended to read as follows:

(1) Each recipient shall submit a report to the department on January 31st following the year the application for credit was allowed. The report shall contain
information, as required by the department, from which the department may determine whether the recipient is meeting the requirements of this chapter. If the recipient fails to submit a report or submits an inadequate report, the department may declare the amount of taxes for which a credit has been used to be immediately assessed and payable. The recipient must keep records, such as payroll records showing the date of hire and employment security reports, to verify eligibility under this section.

(2) If, on the basis of a report under this section or other information, the department finds that a business project is not eligible for tax credit under this chapter for reasons other than failure to create the required number of qualified employment positions, the amount of taxes for which a credit has been used for the project shall be immediately due.

(3) If, on the basis of a report under this section or other information, the department finds that a business project has failed to create the specified number of qualified employment positions, the department shall assess interest, but not penalties, on the credited taxes for which a credit has been used for the project. The interest shall be assessed at the rate provided for delinquent excise taxes, shall be assessed retroactively to the date of the tax credit, and shall accrue until the taxes for which a credit has been used are repaid.

Sec. 15. RCW 83.100.020 and 1999 c 358 s 19 are each amended to read as follows:

As used in this chapter:

(1) "Decedent" means a deceased individual;

(2) "Department" means the department of revenue, the director of that department, or any employee of the department exercising authority lawfully delegated to him by the director;

(3) "Federal credit" means (a) for a transfer, the maximum amount of the credit for state taxes allowed by section 2011 of the Internal Revenue Code; and (b) for a generation-skipping transfer, the maximum amount of the credit for state taxes allowed by section 2604 of the Internal Revenue Code;

(4) "Federal return" means any tax return required by chapter 11 or 13 of the Internal Revenue Code;
(5) "Federal tax" means (a) for a transfer, a tax under chapter 11 of the Internal Revenue Code; and (b) for a generation-skipping transfer, the tax under chapter 13 of the Internal Revenue Code;

(6) "Generation-skipping transfer" means a "generation-skipping transfer" as defined and used in section 2611 of the Internal Revenue Code;

(7) "Gross estate" means "gross estate" as defined and used in section 2031 of the Internal Revenue Code;

(8) "Nonresident" means a decedent who was domiciled outside Washington at his death;

(9) "Person" means any individual, estate, trust, receiver, cooperative association, club, corporation, company, firm, partnership, joint venture, syndicate, or other entity and, to the extent permitted by law, any federal, state, or other governmental unit or subdivision or agency, department, or instrumentality thereof;

(10) "Person required to file the federal return" means any person required to file a return required by chapter 11 or 13 of the Internal Revenue Code, such as the personal representative of an estate; or a transferor, trustee, or beneficiary of a generation-skipping transfer; or a qualified heir with respect to qualified real property, as defined and used in section 2032A(c) of the Internal Revenue Code;

(11) "Property" means (a) for a transfer, property included in the gross estate; and (b) for a generation-skipping transfer, all real and personal property subject to the federal tax;

(12) "Resident" means a decedent who was domiciled in Washington at time of death;

(13) "Transfer" means "transfer" as used in section 2001 of the Internal Revenue Code, or a disposition or cessation of qualified use as defined and used in section 2032A(c) of the Internal Revenue Code;

(14) "Trust" means "trust" under Washington law and any arrangement described in section 2652 of the Internal Revenue Code; and

(15) "Internal Revenue Code" means, for the purposes of this chapter and RCW 83.110.010, the United States Internal Revenue Code of 1986, as amended or renumbered (on) as of January 1, 1999. 2001.

NEW SECTION. Sec. 16. A new section is added to chapter 84.33 RCW to read as follows:

(1) A purchaser of privately owned timber in an amount in excess of two hundred thousand board feet in a voluntary sale made in the
ordinary course of business shall, on or before the last day of the month following the purchase of the timber, report the particulars of the purchase to the department.

(2) The report required in subsection (1) of this section shall contain all information relevant to the value of the timber purchased including, but not limited to, the following, as applicable: Purchaser’s name and address, sale date, termination date in sale agreement, total sale price, total acreage involved in the sale, net volume of timber purchased, legal description of the area involved in the sale, road construction or improvements required or completed, timber cruise data, and timber thinning data. A report may be submitted in any reasonable form or, at the purchaser’s option, by submitting relevant excerpts of the timber sales contract. A purchaser may comply by submitting the information in the following form:

Purchaser’s name: ........................................
Purchaser’s address: ....................................
Sale date: ..................................................
Termination date: ........................................
Total sale price: .......................................... 
Total acreage involved: ..............................
Net volume of timber purchased: ..................
Legal description of sale area: ....................... 
Property improvements: ..............................
Timber cruise data: ....................................
Timber thinning data: ..................................

(3) A purchaser of privately owned timber involved in a purchase described in subsection (1) of this section who fails to report a purchase as required may be liable for a penalty of two hundred fifty dollars for each failure to report, as determined by the department.

(4) This section expires July 1, 2004.

Sec. 17. RCW 84.33.200 and 1998 c 245 s 170 are each amended to read as follows:

(1) The legislature shall review the system of distribution and allocation of all timber excise tax revenues in January 1975 and each year thereafter to provide a uniform and equitable distribution and allocation of such revenues to the state and local taxing districts.
(2) In order to allow legislative review of the rules to be adopted by the department of revenue establishing the stumpage values provided for in RCW 84.33.091, such rules shall be effective not less than thirty days after transmitting to the staffs of the senate and house ways and means committees (or their successor committees) the same proposed rules as have been previously filed with the office of the code reviser pursuant to RCW 34.05.320.

(3) The department of revenue and the department of natural resources shall make available to the revenue committees of the senate and house of representatives of the state legislature information and data, as it may be available, pertaining to the status of forest land grading throughout the state, the collection of timber excise tax revenues, the distribution and allocation of timber excise tax revenues to the state and local taxing districts, and any other information as may be necessary for the proper legislative review and implementation of the timber excise tax system, and in addition, the departments shall provide an annual report of such matters in January of each year to such committees.

NEW SECTION. Sec. 18. The code reviser shall place cross-reference sections to RCW 82.14.055 and 82.32.430 in chapters 67.28 and 67.40 RCW.

NEW SECTION. Sec. 19. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2001.

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