

SENATE BILL REPORT

HB 2957

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, February 23, 2006

Title: An act relating to extending the expiration date for reporting requirements on timber purchases.

Brief Description: Extending the expiration date for reporting requirements on timber purchases.

Sponsors: Representatives Blake, Orcutt, Kessler, Kristiansen and Dunn.

Brief History: Passed House: 2/14/06, 97-0.

Committee Activity: Natural Resources, Ocean & Recreation: 2/22/06, 2/23/06 [DP].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: Do pass.

Signed by Senators Jacobsen, Chair; Doumit, Vice Chair; Oke, Ranking Minority Member; Fraser, Hargrove, Morton, Spanel, Stevens and Swecker.

Staff: Vic Moon (786-7469)

Background: Every harvester of timber is required to pay an excise tax of 5 percent of the stumpage value of any trees that he or she harvests. The excise tax applies to timber harvested from both private and public lands.

Every person who purchases more than 200,000 board feet of private timber in a voluntary sale is required to report certain information to the Department of Revenue (Department). Information that is required to be reported includes the sale date, the total sale price, total acreage involved in the sale, net volume of timber purchased, road construction that was required, data from the timber cruise, and any timber thinning information. The Department may assess a penalty of \$250 for failure to report the required information.

Information gathered in the report is used by the Department to establish tables of stumpage values. A stumpage table is required for each species of tree that is commercially harvested in Washington. The values on the tables indicate the amount that each species would sell for at a voluntary sale made in the ordinary course of business. The stumpage value tables are used to calculate the excise tax due from each timber harvester. The requirement to report sales information to the Department expires on July 1, 2007.

Summary of Bill: The expiration date of the requirement that data about timber purchases be reported to the Department is extended from July 1, 2007, to July 1, 2010.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The information on private timber sales is used to set the stumpage tax rate and is very important to get an accurate rate. The information is kept confidential by the Department of Revenue.

Testimony Against: None.

Who Testified: PRO: Representative Blake; Cal Brewer, Department of Revenue; John Ehrenreich, Washington Forest Protection Association.