

**WAC 458-40-670 Timber excise tax—Chipwood and small log destinations.** (1) **Introduction.** This rule describes the procedure by which businesses that process chipwood, chipwood products, and/or small logs can become approved chipwood or small log destinations.

(2) **Chipwood destinations.** Businesses that process logs to produce chips or chip products may be designated as approved "chipwood destinations." Logs delivered to the log yards approved as "chipwood destinations" for the purpose of being chipped may be reported as chipwood and have the volume measured by weight.

(a) The department of revenue will maintain a current list of approved chipwood destinations. This list will be updated as necessary and will be formally reviewed by the department of revenue at least twice a year. A list of approved chipwood destinations is available from the forest tax section of the department of revenue.

(b) A log processor in the business of processing logs to produce chips or chip products that has not been designated as an approved destination may file an application to be listed as an approved chipwood destination. The application should be submitted to the Department of Revenue, Forest Tax Section, P.O. Box 47472, Olympia, Washington 98504-7472. To qualify as an approved destination, not less than ninety percent of the weight volume of logs delivered to and purchased by the log processor for chipping at a specified log yard or location must be processed to produce chips or chip products.

(c) Any applicant seeking administrative review of the department of revenue's decision made under (b) of this subsection may seek review of the decision in accordance with WAC 458-20-100 (Informal administrative reviews).

(3) **Logs chipped in the woods.** Logs chipped in the woods may also be reported as chipwood. Volume must be measured in net weight of green chips.

(4) **Other chipwood processing locations.** Logs processed at locations other than those listed on the approved list of chipwood destinations maintained by the department of revenue and other than as provided in subsection (3) of this rule may be reported as chipwood volume when scaled as utility grade logs, based on log scaling or upon approved sample log scaling methods.

If a harvester reports chipwood volume that was delivered to a location that is not listed as an approved chipwood destination and there has been no log scaling or approved sample log scaling, the chipwood volume so reported will be converted by the department of revenue to the appropriate sawlog volume in accordance with WAC 458-40-680 for purposes of timber excise taxation.

(5) **Small log destinations.** Businesses that process small logs as defined in WAC 458-40-610 may be designated as approved "small log destinations."

(a) The department of revenue will maintain a current list of approved small log destinations. This list will be updated as necessary and will be formally reviewed by the department of revenue at least twice a year. A list of approved small log destinations is available from the forest tax section of the department of revenue.

(b) A log processor in the business of processing small logs that has not been designated as an approved destination may file an application to be listed as an approved small log destination. The application should be submitted to the Department of Revenue, Forest Tax Section, P.O. Box 47472, Olympia, Washington 98504-7472.

(c) Any applicant seeking administrative review of the department of revenue's decision made under (b) of this subsection may seek review of the decision in accordance with WAC 458-20-100 (Informal administrative reviews).

[Statutory Authority: RCW 82.32.300 and 82.01.060(2). WSR 16-12-073, § 458-40-670, filed 5/27/16, effective 6/27/16. Statutory Authority: RCW 82.32.300 and 84.33.096. WSR 00-24-068, § 458-40-670, filed 12/1/00, effective 1/1/01. Statutory Authority: RCW 82.32.330, 84.33.096 and 84.33.200. WSR 95-18-027, § 458-40-670, filed 8/25/95, effective 9/25/95. Statutory Authority: RCW 84.33.091, 84.32.300 [82.32.300] and 84.33.096. WSR 94-14-048, § 458-40-670, filed 6/30/94, effective 7/1/94; WSR 94-02-047, § 458-40-670, filed 12/30/93, effective 1/1/94; WSR 93-14-051, § 458-40-670, filed 6/30/93, effective 7/1/93; WSR 93-02-025, § 458-40-670, filed 12/31/92, effective 1/1/93; WSR 92-14-083, § 458-40-670, filed 6/29/92, effective 7/1/92; WSR 92-02-067, § 458-40-670, filed 12/31/91, effective 1/1/92. Statutory Authority: RCW 84.33.096 and 82.32.300. WSR 91-14-077, § 458-40-670, filed 6/28/91, effective 7/1/91; WSR 91-02-088, § 458-40-670, filed 12/31/90, effective 1/31/91; WSR 90-14-033, § 458-40-670, filed 6/29/90, effective 7/30/90; WSR 90-02-049, § 458-40-670, filed 12/29/89, effective 1/29/90. Statutory Authority: Chapter 84.33 RCW and RCW 84.33.091. WSR 89-14-051 (Order FT-89-2), § 458-40-670, filed 6/30/89; WSR 89-02-027 (Order FT-88-5), § 458-40-670, filed 12/30/88; WSR 88-14-032 (Order FT-88-2), § 458-40-670, filed 6/30/88; WSR 88-02-026 (Order FT-87-5), § 458-40-670, filed 12/31/87. Statutory Authority: Chapter 84.33 RCW. WSR 87-14-042 (Order 87-2), § 458-40-670, filed 6/30/87; WSR 87-02-023 (Order 86-4), § 458-40-670, filed 12/31/86.]