

HOUSE BILL REPORT

HB 2183

As Reported By House Committee On:

Natural Resources

Title: An act relating to eliminating shellfish from the tax on enhanced food fish.

Brief Description: Eliminating shellfish from the tax on enhanced food fish.

Sponsors: Representatives Buck, Hatfield, Doumit, Lantz, Dunshee and Kessler.

Brief History:

Committee Activity:

Natural Resources: 3/4/95, 3/5/97 [DPS].

HOUSE COMMITTEE ON NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Buck, Chairman; Sump, Vice Chairman; Thompson, Vice Chairman; Regala, Ranking Minority Member; Anderson; Chandler; Hatfield; Pennington and Sheldon.

Minority Report: Do not pass. Signed by 1 member: Representative Alexander.

Staff: Linda Byers (786-7129).

Background: The fish tax is imposed when enhanced food fish are landed in Washington. The term enhanced food fish— includes those salmon, anadromous game fish, shellfish, and other food fish species with the exception of tuna, mackerel, and jack which are caught in Washington territorial and adjacent waters.

The fish tax is based on the value of the fish at the point of landing in Washington. The tax rate depends on the species of fish or shellfish. Chinook, coho, and chum salmon and anadromous game fish are taxed at 5.25 percent. Pink and sockeye salmon are taxed at 3.15 percent. Oysters are taxed at .08 percent. Other food fish and shellfish are taxed at 2.1 percent. Fish tax revenues collected on anadromous game fish are deposited in the wildlife fund; other fish tax revenues go into the state general fund.

Summary of Substitute Bill: The definition of enhanced food fish— is amended to exclude oysters, clams, and mussels. The fish tax does not apply to oysters, clams, and mussels.

The Department of Revenue is directed to identify the impacts of exempting all other shellfish species from the fish tax. The study is to include an estimate of the impact of such an exemption on state revenues and an examination of how such an exemption would impact shellfish-based industries and communities where these industries are located. The department is to complete its study and report its findings to the Legislature by December 1, 1997.

Substitute Bill Compared to Original Bill: The original bill exempts all shellfish from the fish tax; the substitute bill exempts oysters, clams, and mussels and directs the Department of Revenue to identify the impacts of exempting all other species of shellfish.

Appropriation: None.

Fiscal Note: Requested on February 27, 1997.

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

Testimony For: (original bill) If shellfish are exempt from the fish tax, that money can be spent in the economically-depressed coastal communities. Companies already pay typical business taxes, and this tax goes on top. A few years ago, this same chapter was amended to provide an exemption for shellfish growers who keep physical control of their product at all times, and growers have been battling with the department ever since about when the exemption applies. This bill will fix that problem by eliminating shellfish from the fish tax.

Testimony Against: None.

Testified: Doug Merino, United Seafood Business Association; Tim Smith, Pacific Coast Oyster Growers Association; and Ed Owens, Coalition of Coastal Fisheries (all in favor).