

# SENATE BILL REPORT

## HB 2099

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As of February 25, 2014

**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 Vick, Blake, Buys, Van De Wege, Orcutt, Haler, Ross and Fagan.

**Brief History:** Passed House: 2/13/14, 97-0.

**Committee Activity:** Natural Resources & Parks: 2/20/14.

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### SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

**Staff:** Bonnie Kim (786-7316)

**Background:** Purchasers of more than 200,000 board feet of private timber in a voluntary sale must submit a confidential stumpage purchase report to the Department of Revenue (DOR). The stumpage purchase report includes the date of sale, total sale price, total acreage involved in the sale, net volume of purchased timber, required road construction, data from the timber cruise, and any timber thinning information. DOR may assess a \$250 penalty for failure to report the required information. The reporting requirement expires on July 1, 2014.

Timber harvesters must pay an excise tax of 5 percent of the stumpage value of trees harvested from both private and public lands. DOR calculates the excise tax due from each timber harvester through stumpage value tables. DOR establishes the value tables using information gathered from the purchase reports. A table is required for each tree species commercially harvested in Washington and reflects the amount each species would sell for at a voluntary sale made in the ordinary course of business.

**Summary of Bill:** The stumpage purchase reporting requirement is extended to July 1, 2018.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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

**Staff Summary of Public Testimony:** PRO: This bill provides timberland owners predictability and added calculation for taxes. The bill also allows small forest land owners to do their own accounting and come up with their own figures. This bill provides adequate protection for all concerned. The primary point of the statute is to build stumpage value tables from data collected on comparable transactions. This bill is necessary to make the tax system work.

**Persons Testifying:** PRO: Representative Vick, prime sponsor; John Ehrenreich, WA Forest Protection Assn.