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HOUSE BILL 1916

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Schmick, Blake, Nealey, Jenkin, Dye, Buys, and Haler

Read first time 02/02/17. Referred to Committee on Agriculture & Natural Resources.

1 AN ACT Relating to creating a business and occupation tax  
2 exemption for certain sales of commercial fertilizer, agricultural  
3 crop protection products, and seed; adding a new section to chapter  
4 82.04 RCW; providing an effective date; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04  
7 RCW to read as follows:

8 (1) This chapter does not apply to wholesale sales of commercial  
9 fertilizer, agricultural crop protection products, and seed, by an  
10 eligible distributor to an eligible retailer.

11 (2) The definitions in this subsection apply throughout this  
12 section unless the context clearly requires otherwise.

13 (a) "Affiliated persons" means persons who have any ownership  
14 interest, whether direct or indirect, in each other, or where any  
15 ownership interest, whether direct or indirect, is held in each of  
16 the persons by another person or by a group of other persons that are  
17 affiliated with respect to each other.

18 (b) "Agricultural crop protection products" has the same meaning  
19 as provided in RCW 82.21.040.

20 (c) "Commercial fertilizer" has the same meaning as provided in  
21 RCW 15.54.270.

1 (d) "Seed" means seed potatoes and all other "agricultural seed"  
2 as defined in RCW 15.49.011 and conditioned for use in planting.

3 (e) "Eligible distributor" means a wholesaler who purchases  
4 commercial fertilizer, agricultural crop protection products, and  
5 seed from the manufacturer and resells those products only to  
6 eligible retailers who are not affiliated persons and who have an  
7 ownership interest in an entity that has at least a fifty percent  
8 ownership interest in the wholesaler.

9 (f) "Eligible retailer" means a person engaged in the business of  
10 making retail sales of commercial fertilizer, agricultural crop  
11 protection products, and seed, that also holds at least a five  
12 percent ownership interest in an entity that holds at least a fifty  
13 percent ownership interest in an eligible distributor.

14 (3) This section is exempt from the provisions of RCW 82.32.805  
15 and 82.32.808.

16 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of  
18 the state government and its existing public institutions, and takes  
19 effect July 1, 2017.

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