

# HOUSE BILL REPORT

## HB 1119

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### As Reported By House Committee On:

Finance

**Title:** An act relating to private timber purchaser reporting.

**Brief Description:** Extending the expiration date of an act requiring the purchaser of privately owned timber to report to the department of revenue.

**Sponsors:** Representatives Schoesler, Sheldon, Buck, Hatfield, Johnson, Kessler and Boldt.

### Brief History:

#### Committee Activity:

Finance: 1/28/97, 2/19/97 [DP].

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 14 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Mulliken, Vice Chairman; Dunshee, Ranking Minority Member; Boldt; Butler; Conway; Kastama; Mason; Morris; Pennington; Schoesler; Thompson and Van Luven.

**Staff:** Rick Peterson (786-7150).

**Background:** Timber owners pay a 5 percent timber excise tax on the value of their timber when they cut it. The tax is based on timber stumpage values. Stumpage is the value of timber as it stands uncut in the woods. The Department of Revenue is required by law to establish timber stumpage values semi-annually. Until the early 1990's, the department used publicly-owned timber sales as comparable sales for computing stumpage values. Since that time, the number of public sales has declined significantly.

Purchasers of more than 200,000 board feet of privately owned timber are required to report transaction details to the Department of Revenue. Purchasers of privately-owned timber who fail to report may be liable for a penalty of \$250 for each failure to report. The requirement to report timber purchase details expires March 1, 1997.

**Summary of Bill:** The expiration date on private timber sale reporting is extended to July 1, 2000.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The timber sales information from private sales is needed to adequately reflect timber values in the various stumpage value areas. The extension of the sunset date is necessary to continue the reporting of this information.

**Testimony Against:** None.

**Testified:** John Ehrenreich Jr. and Jeremy Korst, Washington Forest Protection Association; and Jim Hedrick, Department of Revenue.