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SENATE BILL 5868

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State of Washington                      56th Legislature                      1999 Regular Session

By Senators Rasmussen, Sheahan, Morton and Loveland

Read first time 02/15/1999. Referred to Committee on Ways & Means.

1            AN ACT Relating to tax exemptions and credits for structures and  
2 equipment used to reduce agricultural burning of cereal grains and  
3 field and turf grass grown for seed; adding a new section to chapter  
4 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new  
5 section to chapter 82.04 RCW; adding a new section to chapter 84.36  
6 RCW; creating a new section; and declaring an emergency.

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

8            NEW SECTION.    **Sec. 1.**    It is the intent of the legislature to  
9 provide tax exemptions and credits to encourage alternatives to the  
10 field burning of cereal grains and field and turf grass grown for seed.  
11 The exemptions and credits are available to farmers and to other  
12 persons engaged in activities that make it possible to reduce field  
13 burning including persons involved in manufacturing or marketing straw  
14 or straw-based products, or to reduce the air emissions resulting from  
15 such burning. It is the intent of the legislature that the exemptions  
16 and credits provided by this act apply not only to facilities and  
17 machinery and equipment for alternatives currently available, but also  
18 to those that may become available in the future.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 82.08 RCW  
2 to read as follows:

3        (1) The tax levied by RCW 82.08.020 does not apply to sales of  
4 machinery and equipment, and to services rendered in respect to  
5 constructing structures, installing, constructing, repairing, cleaning,  
6 decorating, altering, or improving of structures or eligible machinery  
7 and equipment, or to sales of tangible personal property that becomes  
8 an ingredient or component of eligible structures or eligible machinery  
9 and equipment, if the machinery, equipment, or structure is used  
10 primarily:

11        (a) For gathering, densifying, processing, handling, storing,  
12 transporting, or incorporating straw or straw-based products that will  
13 result in a reduction in field burning of cereal grains and field and  
14 turf grass grown for seed;

15        (b) To decrease air emissions resulting from field burning of  
16 cereal grains and field and turf grass grown for seed; or

17        (c) To otherwise materially contribute to the reduction of field  
18 burning of cereal grains and field and turf grass grown for seed.

19        (2) A person taking the exemption under this section must keep  
20 records necessary for the department to verify eligibility under this  
21 section. The exemption is available only when the buyer provides the  
22 seller with an exemption certificate in a form and manner prescribed by  
23 the department. The seller shall retain a copy of the certificate for  
24 the seller's files.

25        (3) The department of ecology shall provide the department with the  
26 information necessary for the department to administer this section.

27        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 82.12 RCW  
28 to read as follows:

29        (1) The provisions of this chapter do not apply in respect to the  
30 use of machinery and equipment, or tangible personal property that  
31 becomes an ingredient or component of eligible machinery and equipment  
32 used primarily:

33        (a) For gathering, densifying, processing, handling, storing,  
34 transporting, or incorporating straw or straw-based products that will  
35 result in a reduction in field burning of cereal grains and field and  
36 turf grass grown for seed;

37        (b) To decrease air emissions resulting from field burning of  
38 cereal grains and field and turf grass grown for seed; or

1 (c) To otherwise materially contribute to the reduction of field  
2 burning of cereal grains and field and turf grass grown for seed.

3 (2) A person taking the exemption under this section must keep  
4 records necessary for the department to verify eligibility under this  
5 section.

6 (3) The department of ecology shall provide the department with the  
7 information necessary for the department to administer this section.

8 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.04 RCW  
9 to read as follows:

10 (1) A person who is eligible for the exemption under section 2 or  
11 3 of this act may take a credit against tax imposed by this chapter,  
12 subject to the limitations in this section.

13 (2) The credit under this section is equal to fifty percent of the  
14 amount of costs expended for constructing structures or acquiring  
15 machinery and equipment for which an exemption was taken under section  
16 2 or 3 of this act.

17 (3) No application is necessary for the credit under this section.  
18 A person taking the credit must keep records necessary for the  
19 department to verify eligibility under this section. Tax credit may  
20 not be claimed for expenditures that occurred before the effective date  
21 of this section.

22 (4) No applicant is eligible for tax credits under this section in  
23 excess of the amount of tax that would otherwise be due under this  
24 chapter. Approved credit may not be carried over to subsequent  
25 calendar years. The credit must be claimed by the due date of the last  
26 tax return for the calendar year in which the payment is made. Any  
27 unused credit expires. Refunds shall not be given in place of credits.

28 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.36 RCW  
29 to read as follows:

30 Personal property eligible for exemption under section 2 or 3 of  
31 this act is exempt from taxation.

32 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
33 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect  
2 immediately.

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