
SENATE BILL 6058

State of Washington

56th Legislature

1999 Regular Session

By Senators Loveland, Honeyford, Sellar, Oke, Stevens and Rasmussen; by request of Department of Revenue

Read first time 02/26/1999. Referred to Committee on Ways & Means.

1 AN ACT Relating to stating the intent of the legislature that the
2 activities of growing or packing agricultural products is not a
3 manufacturing activity; amending RCW 82.04.120; creating new sections;
4 and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the recent
7 appellate court decision in the case of *Valley Fruit v. Department of*
8 *Revenue*, has created confusion regarding the taxability of apple
9 growers, packers, and farmers and the availability of different
10 exemptions for apple growers, packers, and farmers. It is the intent
11 of the legislature to make clear that growing or packing any
12 agricultural product, is not a manufacturing activity.

13 **Sec. 2.** RCW 82.04.120 and 1998 c 168 s 1 are each amended to read
14 as follows:

15 "To manufacture" embraces all activities of a commercial or
16 industrial nature wherein labor or skill is applied, by hand or
17 machinery, to materials so that as a result thereof a new, different or
18 useful substance or article of tangible personal property is produced

1 for sale or commercial or industrial use, and shall include: (1) The
2 production or fabrication of special made or custom made articles; and
3 (2) the production or fabrication of dental appliances, devices,
4 restorations, substitutes, or other dental laboratory products by a
5 dental laboratory or dental technician.

6 "To manufacture" shall not include: Conditioning of seed for use
7 in planting; cubing hay or alfalfa; ((or)) activities which consist of
8 cutting, grading, or ice glazing seafood which has been cooked, frozen,
9 or canned outside this state; the growing, harvesting, or producing of
10 agricultural products; or packing of agricultural products, including
11 sorting, washing, rinsing, grading, waxing, treating with fungicide,
12 packaging, chilling, or placing in controlled atmospheric storage.

13 NEW SECTION. **Sec. 3.** This act is intended to clarify that this is
14 the intent of the legislature both retroactively and prospectively.

15 NEW SECTION. **Sec. 4.** If any provision of this act or its
16 application to any person or circumstance is held invalid, the
17 remainder of the act or the application of the provision to other
18 persons or circumstances is not affected.

19 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of the
21 state government and its existing public institutions, and takes effect
22 immediately.

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