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SENATE BILL 6200

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State of Washington

56th Legislature

2000 Regular Session

By Senators Eide, Morton, Jacobsen, Fraser, Rasmussen and Brown

Read first time 01/10/2000. Referred to Committee on Environmental Quality & Water Resources.

1 AN ACT Relating to improving air quality through the use of tax  
2 exemptions and credits to reduce agricultural burning of cereal grains,  
3 and field and turf grass grown for seed; adding a new section to  
4 chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding  
5 new sections to chapter 82.04 RCW; creating new sections; providing an  
6 effective date; and providing an expiration date.

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

8 NEW SECTION. **Sec. 1.** INTENT. It is the intent of the legislature  
9 to provide tax exemptions and credits to reduce straw and stubble  
10 burning of cereal grains, and field and turf grass grown for seed, and  
11 to encourage alternatives to straw and stubble burning. The  
12 legislature also intends that the exemptions and credits apply to  
13 existing and new facilities, machinery, and equipment.

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

16 SALES TAX EXEMPTION FOR GROWERS. (1) The tax levied by RCW  
17 82.08.020 does not apply to sales of machinery and equipment used  
18 primarily for removing straw and stubble, including raking, baling,

1 loading, handling, storing, or transporting straw from the field to on-  
2 farm storage if the following conditions are met:

3 (a) In order to qualify for the exemption in this subsection a  
4 grower must have conducted, under a state permit, straw or stubble  
5 burning in the previous five years. The straw and stubble handled by  
6 the machinery and equipment, for which the exemption is taken, must be  
7 greater than fifty percent of the total tonnage handled by the  
8 machinery and equipment.

9 (b) A grower who conducts straw or stubble burning within five  
10 years of taking the exemption shall be immediately liable for the tax  
11 exempted and shall be subject to penalties and interest under chapter  
12 82.32 RCW.

13 (c) A grower taking the exemption under this section must keep  
14 records as deemed necessary by the department to verify eligibility  
15 under this section.

16 (2) The department of agriculture and the department of ecology  
17 shall provide the department with the information the department deems  
18 necessary to administer this section.

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

21 USE TAX EXEMPTION FOR GROWERS. (1) The provisions of this chapter  
22 do not apply in respect to a grower's use of machinery and equipment  
23 used primarily for removing straw and stubble, including raking,  
24 baling, loading, handling, storing, or transporting straw from the  
25 field to on-farm storage if the following conditions are met:

26 (a) In order to qualify for the exemption in this subsection a  
27 grower must have conducted, under a state permit, straw or stubble  
28 burning in the previous five years. The straw and stubble handled by  
29 the machinery and equipment, for which the exemption is taken, must be  
30 greater than fifty percent of the total tonnage handled by the  
31 machinery and equipment.

32 (b) A grower who conducts straw or stubble burning within five  
33 years of taking the exemption shall be immediately liable for the tax  
34 exempted and shall be subject to penalties and interest under chapter  
35 82.32 RCW.

36 (c) A grower taking the exemption under this section must keep  
37 records as deemed necessary by the department to verify eligibility  
38 under this section.

1 (2) The department of agriculture and the department of ecology  
2 shall provide the department with the information the department deems  
3 necessary to administer this section.

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

6 BUSINESS AND OCCUPATION TAX CREDIT FOR STRAW-BASED PRODUCT  
7 MANUFACTURES. (1) A manufacturer of straw-based products may take a  
8 credit against the tax imposed by this chapter, subject to the  
9 limitations in this section.

10 (2)(a) The credit under this section may be taken for tax years  
11 2001 and 2002 if the total acreage of straw and stubble burned in the  
12 state has been reduced by twenty-five percent from 1998 levels in 2000  
13 as certified by the department of ecology. By December 15, 2000, the  
14 department of ecology shall notify the department whether the reduction  
15 has been achieved. By January 1, 2001, the department shall notify  
16 persons eligible for the credit under this section, whether the credit  
17 is authorized for tax years 2001 and 2002.

18 (b) The credit under this section may be taken for tax years 2003  
19 and 2004 if the total acreage of straw and stubble burned in the state  
20 has been reduced by fifty percent from 1998 levels in 2002 as certified  
21 by the department of ecology. By December 15, 2002, the department of  
22 ecology shall notify the department whether the reduction has been  
23 achieved. By January 1, 2003, the department shall notify persons  
24 eligible for the credit under this section, whether the credit is  
25 authorized for tax years 2003 and 2004.

26 (c) The credit under this section may be taken for tax years 2005  
27 and 2006 if the total acreage of wheat stubble burned in the state has  
28 been reduced by seventy-five percent from 1998 levels in 2004 as  
29 certified by the department of ecology. By December 15, 2004, the  
30 department of ecology shall notify the department whether the reduction  
31 has been achieved. By January 1, 2005, the department shall notify  
32 persons eligible for the credit under this section, whether the credit  
33 is authorized for tax years 2005 and 2006.

34 (d) The credit under this section may be taken for tax years 2007  
35 and 2008 if the total amount of straw and stubble burned in the state  
36 has been reduced by ninety percent from 1998 levels in 2006 as  
37 certified by the department of ecology. By December 15, 2006, the  
38 department of ecology shall notify the department whether the reduction

1 has been achieved. By January 1, 2007, the department shall notify  
2 persons eligible for the credit under this section, whether the credit  
3 is authorized for tax years 2007 and 2008.

4 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.04 RCW  
5 to read as follows:

6 DEFINITIONS. The definitions in this section apply throughout  
7 sections 2 through 4 of this act unless the context clearly requires  
8 otherwise.

9 (1) "Grower" means any person who is engaged in the business of  
10 growing or producing cereal grains or field and turf grass, upon the  
11 person's own lands or upon the lands in which the person has a present  
12 right of possession, for sale or for use by the person in a  
13 manufacturing process.

14 (2) "Machinery and equipment" means equipment designed and used for  
15 raking, baling, loading, handling and transporting straw from the field  
16 to on-farm storage, but does not include machinery used for highway  
17 purposes.

18 (3) "Straw" means the residual of a crop, harvested for its seeds,  
19 that is pulled or cut from the ground after harvest.

20 (4) "Stubble" means the residual of a crop, harvested for its  
21 seeds, that remains attached to the ground after harvest.

22 (5) "Straw-based product" means a manufactured product containing  
23 no less than fifty percent straw.

24 NEW SECTION. **Sec. 6.** Captions used in this act are not any part  
25 of the law.

26 NEW SECTION. **Sec. 7.** This act takes effect July 1, 2000.

27 NEW SECTION. **Sec. 8.** Sections 2 through 5 of this act expire  
28 December 31, 2008.

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