
SENATE BILL 6433

State of Washington

56th Legislature

2000 Regular Session

By Senators Snyder, Hargrove, Swecker, T. Sheldon, Eide, Morton, Rasmussen, Gardner, Bauer, Haugen, Winsley and Honeyford

Read first time 01/17/2000. Referred to Committee on Ways & Means.

1 AN ACT Relating to county excise tax on harvesters of timber;
2 amending RCW 84.33.051, 84.33.035, 84.33.040, 84.36.473, and 84.33.077;
3 creating a new section; and providing an effective date.

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

5 **Sec. 1.** RCW 84.33.051 and 1984 c 204 s 8 are each amended to read
6 as follows:

7 (1) The legislative body of any county may impose a tax upon every
8 person engaging in the county in business as a harvester effective
9 October 1, 1984. The tax shall be equal to the stumpage value of
10 timber harvested from privately or publicly owned land multiplied by a
11 rate of four percent.

12 (2) Before the effective date of any ordinance imposing a tax under
13 this section, the county shall contract with the department of revenue
14 for administration and collection of the tax. The tax collected by the
15 department of revenue under this section shall be deposited by the
16 department in the timber tax distribution account. Moneys in the
17 account may be spent only for distributions to counties under RCW
18 84.33.081 and, after appropriation by the legislature, for the
19 activities undertaken by the department of revenue relating to the

1 collection and administration of the taxes imposed under this section
2 and RCW 84.33.041. Appropriations are not required for distributions
3 to counties under RCW 84.33.081.

4 **Sec. 2.** RCW 84.33.035 and 1995 c 165 s 1 are each amended to read
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Agricultural methods" means the cultivation of trees that are
9 grown on land prepared by intensive cultivation and tilling, such as
10 irrigating, plowing, or turning over the soil, and on which all
11 unwanted plant growth is controlled continuously for the exclusive
12 purpose of raising trees such as Christmas trees and short-rotation
13 hardwoods.

14 (2) "Composite property tax rate" for a county means the total
15 amount of property taxes levied upon forest lands by all taxing
16 districts in the county other than the state, divided by the total
17 assessed value of all forest land in the county.

18 (3) "Forest land" means forest land which is classified or
19 designated forest land under this chapter.

20 (4) "Harvested" means the time when in the ordinary course of
21 business the quantity of timber by species is first definitely
22 determined. The amount harvested shall be determined by the Scribner
23 Decimal C Scale or other prevalent measuring practice adjusted to
24 arrive at substantially equivalent measurements, as approved by the
25 department of revenue.

26 (5) "Harvester" means every person who from the person's own land
27 or from the land of another under a right or license granted by lease
28 or contract, either directly or by contracting with others for the
29 necessary labor or mechanical services, fells, cuts, or takes timber
30 for sale or for commercial or industrial use: PROVIDED, That whenever
31 the United States or any instrumentality thereof, the state, including
32 its departments and institutions and political subdivisions, or any
33 municipal corporation therein so fells, cuts, or takes timber for sale
34 or for commercial or industrial use, the harvester is the first person
35 other than the United States or any instrumentality thereof, the state,
36 including its departments and institutions and political subdivisions,
37 or any municipal corporation therein, who acquires title to or a
38 possessory interest in such timber. The term "harvester" does not

1 include persons performing under contract the necessary labor or
2 mechanical services for a harvester.

3 (6) "Short-rotation hardwoods" means hardwood trees, such as but
4 not limited to hybrid cottonwoods, cultivated by agricultural methods
5 in growing cycles shorter than ten years.

6 (7) "Stumpage value of timber" means the appropriate stumpage value
7 shown on tables prepared by the department of revenue under RCW
8 84.33.091, provided that for timber harvested from public land and sold
9 under a competitive bidding process, stumpage value shall mean that
10 actual amount paid to the seller in cash or other consideration.
11 Whenever payment for the stumpage includes considerations other than
12 cash, the value shall be the fair market value of the other
13 consideration, provided that if the other consideration is permanent
14 roads, the value of the roads shall be the appraised value as appraised
15 by the seller.

16 (8) "Timber" means forest trees, standing or down, on privately or
17 publicly owned land, and except as provided in RCW 84.33.170 includes
18 Christmas trees and short-rotation hardwoods.

19 (9) "Timber assessed value" for a county means a value, calculated
20 by the department of revenue before October 1 of each year, equal to
21 the total stumpage value of timber harvested from privately and
22 publicly owned land in the county during the most recent four calendar
23 quarters for which the information is available multiplied by a ratio.
24 The numerator of the ratio is the rate of tax imposed by the county
25 under RCW 84.33.051 for the year of the calculation. The denominator
26 of the ratio is the composite property tax rate for the county for
27 taxes due in the year of the calculation, expressed as a percentage of
28 assessed value.

29 (10) "Timber assessed value" for a taxing district means the timber
30 assessed value for the county multiplied by a ratio. The numerator of
31 the ratio is the total assessed value of forest land in the taxing
32 district. The denominator is the total assessed value of forest land
33 in the county. As used in this section, "assessed value of forest
34 land" means the assessed value of forest land for taxes due in the year
35 the timber assessed value for the county is calculated.

36 **Sec. 3.** RCW 84.33.040 and 1984 c 204 s 18 are each amended to read
37 as follows:

1 Timber on privately owned land or ((federally)) publicly owned land
2 shall be exempt from ad valorem taxation.

3 **Sec. 4.** RCW 84.36.473 and 1998 c 311 s 23 are each amended to read
4 as follows:

5 Unless the context clearly requires otherwise, the definitions in
6 this section apply to RCW 84.36.477.

7 (1) "Business inventories" means all livestock and means personal
8 property not under lease or rental, acquired or produced solely for the
9 purpose of sale or lease, or for the purpose of consuming such property
10 in producing for sale or lease a new article of tangible personal
11 property of which such property becomes an ingredient or component.
12 Business inventories shall not mean personal property acquired or
13 produced for the purpose of lease or rental if such property was leased
14 or rented at any time during the calendar year immediately preceding
15 the year of assessment and was not thereafter remanufactured, nor shall
16 it include property held within the normal course of business for lease
17 or rental for periods of less than thirty days. It shall not include
18 agricultural or horticultural property fully or partially exempt under
19 RCW 84.36.470 (~~or timber which is standing on public land and which is~~
20 ~~sold under a contract entered into after August 1, 1982~~). It shall
21 include inventories of finished goods and work in process. For
22 purposes of this section, "remanufacturing" shall mean restoration of
23 property to essentially original condition, but shall not mean normal
24 maintenance or repairs.

25 (2) "Successor" shall have the meaning given to it in RCW
26 82.04.180.

27 **Sec. 5.** RCW 84.33.077 and 1984 c 204 s 21 are each amended to read
28 as follows:

29 The amount of any property taxes paid on timber standing on public
30 land shall be allowed as a credit against any tax imposed with respect
31 to the business of harvesting timber from publicly owned land under RCW
32 84.33.041 or 84.33.051. However, the amount of credit allowed shall
33 not exceed the amount of excise tax due in respect to the business of
34 harvesting timber from publicly owned land.

35 NEW SECTION. **Sec. 6.** Section 3 of this act applies to taxes
36 levied for collection in 2001 and thereafter.

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

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