
SUBSTITUTE SENATE BILL 6028

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Brandland, Spanel and Rasmussen)

READ FIRST TIME 04/07/03.

1 AN ACT Relating to the business and occupation taxation of
2 manufacturing flax seed into flax oil, flax seed meal, or flax seed
3 byproducts; amending RCW 82.04.260; and providing an effective date.

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

5 **Sec. 1.** RCW 82.04.260 and 2001 2nd sp.s. c 25 s 2 are each amended
6 to read as follows:

7 (1) Upon every person engaging within this state in the business of
8 manufacturing:

9 (a) Wheat into flour, barley into pearl barley, soybeans into
10 soybean oil, flax seed into flax oil, flax seed meal, or flax seed
11 byproducts, canola into canola oil, canola meal, or canola byproducts,
12 or sunflower seeds into sunflower oil; as to such persons the amount of
13 tax with respect to such business shall be equal to the value of the
14 flour, pearl barley, oil, ~~((canola))~~ meal, or ~~((canola))~~ byproduct
15 manufactured, multiplied by the rate of 0.138 percent;

16 (b) Seafood products which remain in a raw, raw frozen, or raw
17 salted state at the completion of the manufacturing by that person; as
18 to such persons the amount of tax with respect to such business shall

1 be equal to the value of the products manufactured, multiplied by the
2 rate of 0.138 percent;

3 (c) By canning, preserving, freezing, processing, or dehydrating
4 fresh fruits and vegetables, or selling at wholesale fresh fruits and
5 vegetables canned, preserved, frozen, processed, or dehydrated by the
6 seller and sold to purchasers who transport in the ordinary course of
7 business the goods out of this state; as to such persons the amount of
8 tax with respect to such business shall be equal to the value of the
9 products canned, preserved, frozen, processed, or dehydrated multiplied
10 by the rate of 0.138 percent. As proof of sale to a person who
11 transports in the ordinary course of business goods out of this state,
12 the seller shall annually provide a statement in a form prescribed by
13 the department and retain the statement as a business record; and

14 (d) Dairy products that as of September 20, 2001, are identified in
15 21 C.F.R., chapter 1, parts 131, 133, and 135, including byproducts
16 from the manufacturing of the dairy products such as whey and casein;
17 or selling the same to purchasers who transport in the ordinary course
18 of business the goods out of state; as to such persons the tax imposed
19 shall be equal to the value of the products manufactured multiplied by
20 the rate of 0.138 percent. As proof of sale to a person who transports
21 in the ordinary course of business goods out of this state, the seller
22 shall annually provide a statement in a form prescribed by the
23 department and retain the statement as a business record.

24 (2) Upon every person engaging within this state in the business of
25 splitting or processing dried peas; as to such persons the amount of
26 tax with respect to such business shall be equal to the value of the
27 peas split or processed, multiplied by the rate of 0.138 percent.

28 (3) Upon every nonprofit corporation and nonprofit association
29 engaging within this state in research and development, as to such
30 corporations and associations, the amount of tax with respect to such
31 activities shall be equal to the gross income derived from such
32 activities multiplied by the rate of 0.484 percent.

33 (4) Upon every person engaging within this state in the business of
34 slaughtering, breaking and/or processing perishable meat products
35 and/or selling the same at wholesale only and not at retail; as to such
36 persons the tax imposed shall be equal to the gross proceeds derived
37 from such sales multiplied by the rate of 0.138 percent.

1 (5) Upon every person engaging within this state in the business of
2 making sales, at retail or wholesale, of nuclear fuel assemblies
3 manufactured by that person, as to such persons the amount of tax with
4 respect to such business shall be equal to the gross proceeds of sales
5 of the assemblies multiplied by the rate of 0.275 percent.

6 (6) Upon every person engaging within this state in the business of
7 manufacturing nuclear fuel assemblies, as to such persons the amount of
8 tax with respect to such business shall be equal to the value of the
9 products manufactured multiplied by the rate of 0.275 percent.

10 (7) Upon every person engaging within this state in the business of
11 acting as a travel agent or tour operator; as to such persons the
12 amount of the tax with respect to such activities shall be equal to the
13 gross income derived from such activities multiplied by the rate of
14 0.275 percent.

15 (8) Upon every person engaging within this state in business as an
16 international steamship agent, international customs house broker,
17 international freight forwarder, vessel and/or cargo charter broker in
18 foreign commerce, and/or international air cargo agent; as to such
19 persons the amount of the tax with respect to only international
20 activities shall be equal to the gross income derived from such
21 activities multiplied by the rate of 0.275 percent.

22 (9) Upon every person engaging within this state in the business of
23 stevedoring and associated activities pertinent to the movement of
24 goods and commodities in waterborne interstate or foreign commerce; as
25 to such persons the amount of tax with respect to such business shall
26 be equal to the gross proceeds derived from such activities multiplied
27 by the rate of 0.275 percent. Persons subject to taxation under this
28 subsection shall be exempt from payment of taxes imposed by chapter
29 82.16 RCW for that portion of their business subject to taxation under
30 this subsection. Stevedoring and associated activities pertinent to
31 the conduct of goods and commodities in waterborne interstate or
32 foreign commerce are defined as all activities of a labor, service or
33 transportation nature whereby cargo may be loaded or unloaded to or
34 from vessels or barges, passing over, onto or under a wharf, pier, or
35 similar structure; cargo may be moved to a warehouse or similar holding
36 or storage yard or area to await further movement in import or export
37 or may move to a consolidation freight station and be stuffed,
38 unstuffed, containerized, separated or otherwise segregated or

1 aggregated for delivery or loaded on any mode of transportation for
2 delivery to its consignee. Specific activities included in this
3 definition are: Wharfage, handling, loading, unloading, moving of
4 cargo to a convenient place of delivery to the consignee or a
5 convenient place for further movement to export mode; documentation
6 services in connection with the receipt, delivery, checking, care,
7 custody and control of cargo required in the transfer of cargo;
8 imported automobile handling prior to delivery to consignee; terminal
9 stevedoring and incidental vessel services, including but not limited
10 to plugging and unplugging refrigerator service to containers,
11 trailers, and other refrigerated cargo receptacles, and securing ship
12 hatch covers.

13 (10) Upon every person engaging within this state in the business
14 of disposing of low-level waste, as defined in RCW 43.145.010; as to
15 such persons the amount of the tax with respect to such business shall
16 be equal to the gross income of the business, excluding any fees
17 imposed under chapter 43.200 RCW, multiplied by the rate of 3.3
18 percent.

19 If the gross income of the taxpayer is attributable to activities
20 both within and without this state, the gross income attributable to
21 this state shall be determined in accordance with the methods of
22 apportionment required under RCW 82.04.460.

23 (11) Upon every person engaging within this state as an insurance
24 agent, insurance broker, or insurance solicitor licensed under chapter
25 48.17 RCW; as to such persons, the amount of the tax with respect to
26 such licensed activities shall be equal to the gross income of such
27 business multiplied by the rate of 0.484 percent.

28 (12) Upon every person engaging within this state in business as a
29 hospital, as defined in chapter 70.41 RCW, that is operated as a
30 nonprofit corporation or by the state or any of its political
31 subdivisions, as to such persons, the amount of tax with respect to
32 such activities shall be equal to the gross income of the business
33 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
34 percent thereafter. The moneys collected under this subsection shall
35 be deposited in the health services account created under RCW
36 43.72.900.

1 NEW SECTION. **Sec. 2.** This act takes effect August 1, 2003.

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