

SHB 2457 - S COMM AMD  
By Committee on Ways & Means

NOT ADOPTED 03/03/2006

1 Strike everything after the enacting clause and insert the  
2 following:

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

5 (1) The tax levied by RCW 82.08.020 does not apply to the sale to  
6 a farmer of replacement parts for farm machinery and equipment.

7 (2) A person claiming an exemption under this section must keep  
8 records necessary for the department to verify eligibility under this  
9 section. An exemption is available only when the buyer provides the  
10 seller with an exemption certificate in a form and manner prescribed by  
11 the department. The seller shall retain a copy of the certificate for  
12 the seller's files.

13 (3) The definitions in this subsection apply to this section.

14 (a) "Agricultural products" has the meaning provided in RCW  
15 82.04.213.

16 (b) "Farmer" means a farmer as defined in RCW 82.04.213 whose gross  
17 proceeds of sales of agricultural products grown, raised, or produced  
18 by that person is at least ten thousand dollars in the calendar year in  
19 which an exemption under this section is claimed.

20 (c) "Farm machinery and equipment" means machinery and equipment  
21 used primarily for growing, raising, or producing agricultural  
22 products. "Farm machinery and equipment" does not include:

23 (i) Farm vehicles and other vehicles as those terms are defined in  
24 chapter 46.04 RCW, except farm tractors as defined in RCW 46.04.180 and  
25 other farm implements. For purposes of this subsection (3)(c)(i),  
26 "farm implement" does not include lawn tractors and all-terrain  
27 vehicles;

28 (ii) Aircraft;

29 (iii) Hand tools and hand-powered tools; and

30 (iv) Property with a useful life of less than one year.

1 (d) "Replacement parts" means those parts that replace an existing  
2 part, or which are essential to maintain the working condition, of a  
3 piece of farm machinery or equipment. However, "replacement parts"  
4 shall not include paint, fuel, oil, grease, hydraulic fluids,  
5 antifreeze, and similar items.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW  
7 to read as follows:

8 (1) The provisions of this chapter do not apply in respect to the  
9 use by a farmer of replacement parts for farm machinery and equipment.

10 (2) The definitions and recordkeeping requirements in section 1 of  
11 this act, other than the exemption certificate requirement, apply to  
12 this section.

13 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2006."

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14 On page 1, line 2 of the title, after "equipment;" strike the  
15 remainder of the title and insert "adding a new section to chapter  
16 82.08 RCW; adding a new section to chapter 82.12 RCW; and providing an  
17 effective date."

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