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HOUSE BILL 1971

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State of Washington

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2005 Regular Session

By Representatives Halper, Grant, Kretz, Walsh, Kristiansen, Buri, Crouse, Newhouse, Linville, Morrell, Condotta, Holmquist, McCune, Haigh and Schindler

Read first time 02/14/2005. Referred to Committee on Economic Development, Agriculture & Trade.

1 AN ACT Relating to a sales and use tax exemption for services and  
2 parts for machinery and equipment used by a farmer; adding a new  
3 section to chapter 82.08 RCW; adding a new section to chapter 82.12  
4 RCW; providing an effective date; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW  
7 to read as follows:

8 (1) The tax levied by RCW 82.08.020 does not apply to the sale of  
9 replacement parts for, or services rendered in respect to, machinery  
10 and equipment used by a farmer, if the machinery and equipment is  
11 designed for the purpose of growing, raising, or producing agricultural  
12 products.

13 (2) The person taking the exemption under this section must keep  
14 records necessary for the department to verify eligibility under this  
15 section. The exemption is available only when the buyer provides the  
16 seller with an exemption certificate in a form and manner prescribed by  
17 the department. The seller shall retain a copy of the certificate for  
18 the seller's files.

1 (3) For the purposes of this section and section 2 of this act, the  
2 following definitions apply:

3 (a) "Farmer" and "agricultural products" have the same meaning as  
4 provided in RCW 82.04.213.

5 (b) "Services" means labor for repairs, maintenance, or the  
6 replacement of parts, for machinery and equipment used by a farmer.

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

9 (1) The provisions of this chapter do not apply with respect to the  
10 use of replacement parts for, or services rendered in respect to,  
11 machinery and equipment used by a farmer, if the machinery and  
12 equipment is designed for the purpose of growing, raising, or producing  
13 agricultural products.

14 (2) The definitions in section 1 of this act apply to this section.

15 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
16 preservation of the public peace, health, or safety, or support of the  
17 state government and its existing public institutions, and takes effect  
18 July 1, 2005.

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