
ENGROSSED SUBSTITUTE HOUSE BILL 2278

State of Washington

61st Legislature

2009 Regular Session

By House Finance (originally sponsored by Representatives Pettigrew, Chandler, Blake, Johnson, Bailey, and Schmick)

READ FIRST TIME 03/02/09.

1 AN ACT Relating to the sales and use tax exemption for livestock
2 nutrient management equipment and facilities; and amending RCW
3 82.08.890 and 82.12.890.

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

5 **Sec. 1.** RCW 82.08.890 and 2006 c 151 s 2 are each amended to read
6 as follows:

7 (1) The tax levied by RCW 82.08.020 does not apply to sales to
8 eligible persons of:

9 (a) Qualifying livestock nutrient management equipment;

10 (b) Labor and services rendered in respect to installing,
11 repairing, cleaning, altering, or improving qualifying livestock
12 nutrient management equipment; and

13 (c)(i) Labor and services rendered in respect to ~~((operating,))~~
14 repairing, cleaning, altering, or improving of qualifying livestock
15 nutrient management ~~((equipment and))~~ facilities, or to ~~((sales of))~~
16 tangible personal property that becomes an ingredient or component of
17 ~~((the — equipment — and))~~ qualifying livestock nutrient management
18 facilities in the course of repairing, cleaning, altering, or improving
19 of such facilities.

1 (ii) The exemption provided in this subsection (1)(c) does not
2 apply to the sale of or charge made for: (A) Labor and services
3 rendered in respect to the constructing of new, or replacing previously
4 existing, qualifying livestock nutrient management facilities; or (B)
5 tangible personal property that becomes an ingredient or component of
6 qualifying livestock nutrient management facilities during the course
7 of constructing new, or replacing previously existing, qualifying
8 livestock nutrient management facilities.

9 ~~(2)((a) To be eligible, the equipment and facilities must be used~~
10 ~~exclusively for activities necessary to maintain a livestock nutrient~~
11 ~~management plan.~~

12 ~~(b))~~ The exemption provided in subsection (1) of this section
13 applies to sales made after the livestock nutrient management plan is:
14 ~~((i))~~ (a) Certified under chapter 90.64 RCW; ~~((ii))~~ (b) approved as
15 part of the permit issued under chapter 90.48 RCW; or ~~((iii))~~ (c)
16 approved as required under subsection (4)(c)(iii) of this section.

17 (3)(a) The department of revenue must provide an exemption
18 certificate to an eligible person upon application by that person. The
19 department of agriculture must provide a list of eligible persons, as
20 defined in subsection (4)(c)(i) and (ii) of this section, to the
21 department of revenue. Conservation districts must maintain lists of
22 eligible persons as defined in subsection (4)(c)(iii) of this section
23 to allow the department of revenue to verify eligibility. The
24 application must be in a form and manner prescribed by the department
25 and must contain information regarding the location of the dairy or
26 animal feeding operation and other information the department may
27 require.

28 (b) A person claiming an exemption under this section must keep
29 records necessary for the department to verify eligibility under this
30 section. The exemption is available only when the buyer provides the
31 seller with an exemption certificate in a form and manner prescribed by
32 the department. The seller must retain a copy of the certificate for
33 the seller's files.

34 (4) The definitions in this subsection apply to this section and
35 RCW 82.12.890 unless the context clearly requires otherwise:

36 (a) "Animal feeding operation" means a lot or facility, other than
37 an aquatic animal production facility, where the following conditions
38 are met:

1 (i) Animals, other than aquatic animals, have been, are, or will be
2 stabled or confined and fed or maintained for a total of forty-five
3 days or more in any twelve-month period; and

4 (ii) Crops, vegetation, forage growth, or postharvest residues are
5 not sustained in the normal growing season over any portion of the lot
6 or facility.

7 (b) "Conservation district" means a subdivision of state government
8 organized under chapter 89.08 RCW.

9 (c) "Eligible person" means a person: (i) Licensed to produce milk
10 under chapter 15.36 RCW who has a certified dairy nutrient management
11 plan, as required by chapter 90.64 RCW; (ii) who owns an animal feeding
12 operation and has a permit issued under chapter 90.48 RCW; or (iii) who
13 owns an animal feeding operation and has a nutrient management plan
14 approved by a conservation district as meeting natural resource
15 conservation service field office technical guide standards and who
16 possesses an exemption certificate under RCW 82.08.855.

17 (d) (~~("Livestock-nutrient-management-equipment-and-facilities"~~
18 ~~means machinery, equipment, and structures used in the handling and~~
19 ~~treatment of livestock manure, such as aerators, agitators, alley~~
20 ~~scrapers, augers, dams, gutter cleaners, loaders, lagoons, pipes,~~
21 ~~pumps, separators, and tanks. The term also includes tangible personal~~
22 ~~property that becomes an ingredient or component of the equipment and~~
23 ~~facilities, including repair and replacement parts.~~

24 (e)) "Handling and treatment of livestock manure" means the
25 activities of collecting, storing, moving, or transporting livestock
26 manure, separating livestock manure solids from liquids, or applying
27 livestock manure to the agricultural lands of an eligible person other
28 than through the use of pivot or linear type traveling irrigation
29 systems.

30 (e) "Permit" means either a state waste discharge permit or a
31 national pollutant discharge elimination system permit, or both.

32 (f) "Qualifying livestock nutrient management equipment" means the
33 following tangible personal property for exclusive use in the handling
34 and treatment of livestock manure, including repair and replacement
35 parts for such equipment: (i) Aerators; (ii) agitators; (iii) augers;
36 (iv) conveyers; (v) gutter cleaners; (vi) hard-hose reel traveler
37 irrigation systems; (vii) lagoon and pond liners and floating covers;
38 (viii) loaders; (ix) manure composting devices; (x) manure spreaders;

1 (xi) manure tank wagons; (xii) manure vacuum tanks; (xiii) poultry
2 house cleaners; (xiv) poultry house flame sterilizers; (xv) poultry
3 house washers; (xvi) poultry litter saver machines; (xvii) pipes;
4 (xviii) pumps; (xix) scrapers; (xx) separators; (xxi) slurry injectors
5 and hoses; and (xxii) wheelbarrows, shovels, and pitchforks.

6 (g) "Qualifying livestock nutrient management facilities" means the
7 following structures and facilities for exclusive use in the handling
8 and treatment of livestock manure: (i) Flush systems; (ii) lagoons;
9 (iii) liquid livestock manure storage structures, such as concrete
10 tanks or glass-lined steel tanks; and (iv) structures used solely for
11 the dry storage of manure, including roofed stacking facilities.

12 **Sec. 2.** RCW 82.12.890 and 2006 c 151 s 3 are each amended to read
13 as follows:

14 (1) The provisions of this chapter do not apply with respect to the
15 use by an eligible person of (~~tangible personal property that becomes~~
16 ~~an ingredient or component of livestock nutrient management equipment~~
17 ~~and facilities, as defined in RCW 82.08.890, or to labor and services~~
18 ~~rendered in respect to repairing, cleaning, altering, or improving~~
19 ~~eligible tangible personal property.)):~~

20 (a) Qualifying livestock nutrient management equipment;

21 (b) Labor and services rendered in respect to installing,
22 repairing, cleaning, altering, or improving qualifying livestock
23 nutrient management equipment; and

24 (c)(i) Tangible personal property that becomes an ingredient or
25 component of qualifying livestock nutrient management facilities in the
26 course of repairing, cleaning, altering, or improving of such
27 facilities.

28 (ii) The exemption provided in this subsection (1)(c) does not
29 apply to the use of tangible personal property that becomes an
30 ingredient or component of qualifying livestock nutrient management
31 facilities during the course of constructing new, or replacing
32 previously existing, qualifying livestock nutrient management
33 facilities.

34 (2) (~~(a) To be eligible, the equipment and facilities must be used~~
35 ~~exclusively for activities necessary to maintain a livestock nutrient~~
36 ~~management plan.~~

1 ~~(b)~~) The exemption applies to the use of tangible personal
2 property ~~((or))~~ and labor and services made after the livestock
3 nutrient management plan is: ~~((+i))~~ (a) Certified under chapter 90.64
4 RCW; ~~((+ii))~~ (b) approved as part of the permit issued under chapter
5 90.48 RCW; or ~~((+iii))~~ (c) approved as required under RCW
6 82.08.890(4)(c)(iii).

7 (3) The exemption certificate and recordkeeping requirements of RCW
8 82.08.890 apply to this section. The definitions in RCW 82.08.890
9 apply to this section.

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