

SENATE BILL REPORT

SB 6671

As of February 5, 2020

Title: An act relating to authorizing the department of revenue to collect tribal timber harvest excise tax under a timber harvest excise tax agreement authorized in chapter 43.06 RCW.

Brief Description: Authorizing the department of revenue to collect tribal timber harvest excise tax under a timber harvest excise tax agreement authorized in chapter 43.06 RCW.

Sponsors: Senators Van De Wege, Salomon, Takko and McCoy.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 2/04/20.

Brief Summary of Bill

- Authorizes the Department of Revenue to collect tribal timber harvest excise tax and the state treasurer to distribute the revenues to a tribe under a timber harvest excise tax agreement.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff: Jeff Olsen (786-7428)

Background: In 1971, the Legislature replaced the annual property tax on timber with an excise tax based on the value of the timber at the time of harvest. The timber excise tax is 5 percent and is composed of a 4 percent county tax and a 1 percent state tax. The state treasurer distributes the county portion to the county where the timber was harvested and state taxes are deposited in the state general fund. Before a county distribution is made, a proportionate share is retained for collection and administrative activities.

Legislation enacted in 2007, authorized the Governor to enter into an agreement with the Quinault Indian Nation relating to imposition of a tribal timber excise tax. Under the agreement, a tribal timber harvest excise tax must be equivalent to the state timber tax rate.

Summary of Bill: A tribe may ask the Department of Revenue (DOR) to administer and collect the tribal tax, subject to a timber harvest excise tax agreement. The agreement must

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include a provision allowing DOR to be reimbursed for collection and administration activities. The reimbursement must be the tribe's proportionate share and be consistent with DOR's reimbursement for collection and administration on behalf of a county. The state treasurer must distribute quarterly tribal timber harvest excise taxes to a tribe, less the tribe's proportionate share of collection and administrative costs.

Appropriation: None.

Fiscal Note: Requested on February 1, 2020.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: DOR and the Quinault Nation collaborated on the approach to authorize an agreement for DOR to collect the timber excise tax on behalf of the tribe. The tribe would enter into the same arrangement as counties currently do for the collection and distribution of timber tax revenues. This change helps to implement forest tax compacts that were authorized back in 2007.

Persons Testifying: PRO: Senator Kevin Van De Wege, Prime Sponsor; Ian Doyle, Department of Revenue; Matthew Randazzo, Quinault Indian Nation.

Persons Signed In To Testify But Not Testifying: No one.