

SENATE BILL REPORT

HB 1389

As Reported by Senate Committee On:
Ways & Means, April 8, 2025

Title: An act relating to extending the expiration date for reporting requirements on timber purchases.

Brief Description: Extending the expiration date for reporting requirements on timber purchases.

Sponsors: Representatives Bernbaum, Orcutt, Springer, Dent, Schmick, Parshley, Richards, Simmons, Reed and Tharinger.

Brief History: Passed House: 3/10/25, 93-0.

Committee Activity: Ways & Means: 3/18/25, 4/08/25 [DP].

Brief Summary of Bill

- Extends the expiration date for timber purchase reporting requirements from September 30, 2025, to September 30, 2029.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke, Braun, Cleveland, Conway, Dhingra, Hansen, Hasegawa, Kauffman, Muzzall, Pedersen, Riccelli, Saldaña, Wagoner, Warnick, Wellman and Wilson, C..

Staff: Tianyi Lan (786-7432)

Background: Forest Tax. Instead of property taxes, timber owner, also referred as timber

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harvesters, pay a 5 percent excise tax, known as the forest tax or timber tax, on any timber harvested. The excise tax amount due from each timber harvester is based on the value of the timber harvested. The timber excise tax collected by the Department of Revenue (DOR) is composed of a 4 percent county tax and a 1 percent state tax.

Timber Purchase Reporting Requirements. Purchasers of more than 200,000 board feet of privately-owned timber in a voluntary sale must report the purchase to DOR or be subject to a \$250 penalty. The report must include specific information related to the value of the purchase, including the total sale price, total acreage, and the estimated net volume of timber purchased by tree species and log grade.

Information gathered in the timber purchase reports indicate the amount that each tree species commercially harvested in Washington would sell for at a voluntary sale. The reported information will be kept confidential and is used in the development of the semiannually stumpage value tables, which provide estimates for the value of timber in order to determine the taxable stumpage value for large timber harvesters.

The timber purchase reporting requirement expires on September 30, 2025.

Summary of Bill: The bill extends the expiration date of the timber purchase reporting requirement to September 30, 2029.

Appropriation: None.

Fiscal Note: Available.

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: The reported information includes the net volume of timber as well as price paid. The reporting system was set up back in the early 1970s, which provides updated information for everybody involved in the industry. The bill extends the deadline for another four years to satisfy the industry need.

Persons Testifying: PRO: Tom Davis, Washington Forest Protection Association.

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