

deemed for the designation "operator." [Statutory Authority: RCW 46.61.506. 85-08-012 (Order 85-01), § 448-12-300, filed 3/27/85.]

WAC 448-12-310 Operators and instructors. The operators and instructors certified by the state toxicologist on the BAC Verifier Data Master infrared breath test instrument are not to be considered in any manner medically trained personnel. These persons so certified by the state toxicologist are certified in only the operation and/or theory of operation of the BAC Verifier infrared breath testing instrument. [Statutory Authority: RCW 46.61.506. 85-08-012 (Order 85-01), § 448-12-310, filed 3/27/85.]

WAC 448-12-320 Address for correspondence. Individuals seeking certification in accordance with these rules or approval of equipment to administer the breath test for alcohol concentration shall direct their request to the State Toxicologist, Department of Laboratory Medicine, Harborview Medical Center ZA-88, 325 - 9th Avenue, Seattle, Washington 98104. [Statutory Authority: RCW 46.61.506. 85-08-012 (Order 85-01), § 448-12-320, filed 3/27/85.]

WAC 448-12-330 Names of instructors. Pursuant to WAC 448-12-250, the state toxicologist will maintain a list of persons certified as BAC Verifier Data Master instructors. These names shall be made available to interested parties upon request to the state toxicologist at the address set forth in WAC 448-12-320. [Statutory Authority: RCW 46.61.506. 85-08-012 (Order 85-01), § 448-12-330, filed 3/27/85.]

WAC 448-12-340 Effective date. WAC 448-12-210 through 448-12-330 shall become effective as of May 1, 1985, and will remain in full force and effect until otherwise directed by the state toxicologist. The aforementioned WAC's will be in effect concurrently with WAC 448-12-010 through 448-12-100 until January 1, 1987. On January 1, 1987, WAC 448-12-010 through 448-12-100 shall be held to be replaced and of no force and effect after that date. [Statutory Authority: RCW 46.61.506. 85-08-012 (Order 85-01), § 448-12-340, filed 3/27/85.]

Title 458 WAC REVENUE, DEPARTMENT OF

Chapters

- 458-08 Uniform procedural rules for the conduct of contested cases.
- 458-12 Property tax division--Rules for assessors.
- 458-14 Reconvening county boards of equalization.
- 458-16 Property tax--Exemptions.
- 458-17 Assessment and taxation of motor vehicles, travel trailers, campers, motor homes, and watercraft.

- 458-18 Property tax--Abatements, credits, deferrals and refunds.
- 458-20 Excise tax rules.
- 458-24 Unfair Cigarette Sales Below Cost Act rules and regulations.
- 458-40 Taxation of timber and forest lands.
- 458-53 Property tax annual ratio study.
- 458-61 Real estate excise tax.

Chapter 458-08 WAC

UNIFORM PROCEDURAL RULES FOR THE CONDUCT OF CONTESTED CASES

WAC

- 458-08-010 Application and scope of chapter 458-08 WAC.
- 458-08-020 Definitions.
- 458-08-030 Appearance and practice before agency--Who may appear.
- 458-08-040 Appearance and practice before agency--Standards of ethical conduct.
- 458-08-050 Appearance and practice before agency--Appearance by former employee of agency or former member of attorney general's staff.
- 458-08-060 Appearance and practice before agency--Former employee as expert witness.
- 458-08-070 Pleadings.
- 458-08-080 Discovery in contested cases--Scope.
- 458-08-090 Depositions and interrogatories in contested cases--Right to take.
- 458-08-100 Depositions and interrogatories in contested cases--Officer before whom taken.
- 458-08-110 Depositions and interrogatories in contested cases--Authorization.
- 458-08-120 Depositions and interrogatories in contested cases--Protection of parties and deponents.
- 458-08-130 Deposition and interrogatories in contested cases--Oral examination and cross-examination.
- 458-08-140 Depositions and interrogatories in contested cases--Recordation.
- 458-08-150 Depositions and interrogatories in contested cases--Signing attestation and return.
- 458-08-160 Depositions and interrogatories in contested cases--Use and effect.
- 458-08-170 Depositions and interrogatories in contested cases--Fees of officers and deponents.
- 458-08-180 Depositions upon interrogatories--Submission of interrogatories.
- 458-08-190 Depositions upon interrogatories--Interrogation.
- 458-08-200 Depositions upon interrogatories--Attestation and return.
- 458-08-210 Depositions upon interrogatories--Provisions of deposition rule.
- 458-08-220 Interrogatories to parties.
- 458-08-230 Requests for admission.
- 458-08-240 Subpoenas.
- 458-08-250 Settlement.
- 458-08-260 Decision procedure.
- 458-08-270 Review procedures.

WAC 458-08-010 Application and scope of chapter 458-08 WAC. (1) Rules adopted by the office of administrative hearings, chapter 10-08 WAC, apply to all stages of the conduct of a contested case hearing from issuance of the notice of hearing through issuance of a proposed decision, an initial decision, or the agency's final decision if no proposed or initial decision is required or issued. Such rules supersede or are in lieu of rules that have been or may be adopted by an agency for the

conduct of contested cases, provided that an agency may adopt rules which prescribe:

(a) Form and content of pleadings, procedures for settlement or disposition of contested cases without hearing, and procedures for obtaining review by the agency of proposed and initial decisions and reconsideration of final decisions;

(b) Qualifications of persons appearing before the agency in a representative capacity; and

(c) Procedures for discovery.

(2) These rules are adopted by the department of revenue to provide procedures, as permitted by statute and chapter 10-08 WAC, for contested case hearings, and shall apply to hearings which the department of revenue is by statute or Constitution required to conduct. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-010, filed 11/18/85.]

WAC 458-08-020 Definitions. Unless the context shall otherwise provide:

(1) "Department" means the Washington state department of revenue.

(2) "Party" includes the department.

(3) "Presiding officer" means a department official(s), administrative law judge, hearing examiner, hearing officer, or other person authorized by law or appointed to preside over a contested case hearing.

(4) "Proceeding" means a hearing or other occasion for action, decision, or ruling, or where the same are considered by the parties or their representatives, which constitutes a part of the contested case hearing. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-020, filed 11/18/85.]

WAC 458-08-030 Appearance and practice before agency--Who may appear. No person may appear in a representative capacity before the agency or its presiding officer other than the following:

(1) Attorneys at law duly qualified and entitled to practice before the supreme court of the state of Washington.

(2) Attorneys at law duly qualified and entitled to practice before the highest court of record of any other state, if the attorneys at law of the state of Washington are permitted to appear in a representative capacity before administrative agencies of such other state, and if not otherwise prohibited by state law.

(3) A bona fide officer, partner, or full time employee of an individual firm, association, partnership, or corporation who appears for such individual firm, association, partnership, or corporation. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-030, filed 11/18/85.]

WAC 458-08-040 Appearance and practice before agency--Standards of ethical conduct. All persons appearing in a proceeding before the department in a representative capacity shall conform to the standards of ethical conduct required of attorneys before the courts of

Washington. If any such person does not conform to such standards, the agency involved may decline to permit such person to appear in a representative capacity in any proceeding before the agency. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-040, filed 11/18/85.]

WAC 458-08-050 Appearance and practice before agency--Appearance by former employee of agency or former member of attorney general's staff. No former employee of the department or member of the attorney general's staff may at any time after severing employment with the department or the attorney general appear in a representative capacity on behalf of other parties in a formal proceeding wherein such person previously took an active part as a representative of the department, as provided by RCW 42.18.220. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-050, filed 11/18/85.]

WAC 458-08-060 Appearance and practice before agency--Former employee as expert witness. No former employee of the department shall at any time after severing his employment with the state of Washington appear, except with the written permission of the agency, as an expert witness on behalf of other parties in a formal proceeding wherein such former employee previously took an active part in the investigation as a representative of the department. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-060, filed 11/18/85.]

WAC 458-08-070 Pleadings. (1) Pleadings enumerated. Pleadings before the department shall include notices of hearing, complaints, answers, and motions.

(2) Verification. All pleadings except motions, notices of hearing, or complaints brought upon the department's own motion, shall be verified in the manner prescribed for verification of pleadings in the superior court of Washington.

(3) Time for motion. Any motion directed toward a notice of hearing or complaint must be filed before an answer is due. Otherwise objections must be raised in the answer. Motions directed toward a notice of hearing or complaint must be filed within ten days after service of the notice of hearing or complaint.

(4) Time for answer. An answer, if made, must be filed within twenty days following service of the notice of hearing or complaint; provided, however, that whenever the department believes the public interest requires expedited procedure it may shorten the time required for an answer.

(5) Liberal construction. All pleadings shall be liberally construed with a view to effect justice between the parties and the department will at any stage of the proceeding disregard errors or defects in the pleadings or proceedings which do not affect the substantial rights of a party.

(6) Amendments. The department may allow amendments to the pleadings or other relevant documents at any time upon such terms as may be lawful and just,

provided that such amendments do not adversely affect the interest of persons not parties to the proceeding.

(7) Disposition of motions. The department may direct all motions to be submitted for decision by the department on either written or oral argument and may permit the filing of affidavits in support or contravention thereof.

(8) Consolidation of hearings. Two or more hearings where the facts or principles of law are related may be consolidated and heard together.

(9) Motions. Subject to the provisions of subsection (3) of this section, the practice respecting motions including the grounds therefor and forms thereof shall conform insofar as possible with the practice relative thereto in the superior court of Washington and the practice permitted by the Administrative Procedure Act (chapter 34.04 RCW).

(10) Forms. (a) Persons responding to notice of hearing or complaint filed by the department in filing any answer or motion thereto shall generally adhere to the following form for such purpose:

At the top of the page shall appear the wording "Before the Washington state department of revenue." On the left side of the page below the foregoing the following caption shall be set out: "In the matter of (the name of the party)." Opposite the foregoing caption shall appear the word "answer" or "motion."

The body of the answer or motion shall be set out in numbered paragraphs which shall include the name and address of the responding or moving party.

(b) The original and one legible copy shall be filed with the department. Answers or motions shall be on white paper, eight and one-half by eleven inches in size. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-070, filed 11/18/85.]

WAC 458-08-080 Discovery in contested cases--Scope. Unless otherwise limited in accordance with these rules parties may obtain discovery as permitted in these rules regarding any matter, not privileged, which is relevant to the subject matter involved in the proceeding. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-080, filed 11/18/85.]

WAC 458-08-090 Depositions and interrogatories in contested cases--Right to take. Except as may be otherwise provided, any party may take the testimony of any person, including a party, by deposition upon oral examination or written interrogatories for use as evidence in the proceeding, except that leave must be obtained if notice of the taking is served by a proponent within twenty days after the filing of a notice of hearing or complaint. The attendance of witnesses may be compelled by the use of a subpoena. Depositions shall be taken only in accordance with this rule and the rule on subpoenas. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-090, filed 11/18/85.]

WAC 458-08-100 Depositions and interrogatories in contested cases--Officer before whom taken. Within the United States or within a territory or insular possession subject to the dominion of the United States depositions shall be taken before an officer authorized to administer oaths by the laws of the state of Washington or of the place where the examination is held; within a foreign country, depositions shall be taken before a secretary of an embassy or legation, consul general, vice consul or consular agent of the United States, or a person designated by the department, or agreed upon by the parties by stipulation in writing filed with the department. Except by stipulation, no deposition shall be taken before a person who is a party or the privy of a party, or a privy of any counsel of a party, or who is financially interested in the proceeding. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-100, filed 11/18/85.]

WAC 458-08-110 Depositions and interrogatories in contested cases--Authorization. A party desiring to take the deposition of any person upon oral examination shall give reasonable notice in writing of not less than five days (exclusive of the day of service, Saturdays, Sundays and legal holidays). The notice shall state the time and place for taking the deposition, the name and address of each person to be examined, if known, and if the name is not known, a general description sufficient to identify the person. On motion of a party upon whom the notice is served, the presiding officer may for cause shown enlarge or shorten the time. If the parties so stipulate in writing, depositions may be taken before any person, at any time or place, upon any notice, and in any manner and when so taken may be used as other depositions. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-110, filed 11/18/85.]

WAC 458-08-120 Depositions and interrogatories in contested cases--Protection of parties and deponents. After notice is served for taking a deposition, upon its own motion or upon motion reasonably made by any party or by the person to be examined and upon notice and for good cause shown, the department or its presiding officer may make an order that the deposition shall not be taken, or that it may be taken only at some designated place other than that stated in the notice, or that it may be taken only on written interrogatories, or that certain matters shall not be inquired into, or that the scope of the examination shall be limited to certain matters, or that the examination shall be limited to certain matters, or that the examination shall be held with no one present except the parties to the action and their officers or counsel, or that after being sealed, the deposition shall be opened only by order of the department or that business secrets or secret processes, developments, or research need not be disclosed, or that the parties shall simultaneously file specified documents, or information enclosed in sealed envelopes to be opened as directed by the department which may make any other

order which justice requires to protect the party or witness from annoyance, embarrassment, or oppression. At any time during the taking of the deposition, on motion of any party or of the deponent and upon a showing that the examination is being conducted in bad faith or in such manner as unreasonably to annoy, embarrass, or oppress the deponent or party, the department, or its presiding officer may order the officer conducting the examination to cease forthwith from taking the deposition, or may limit the scope and manner of the taking of the deposition as above provided. If the order made terminates the examination, it shall be resumed thereafter only upon order. Upon demand of the objecting party or deponent, the taking of the deposition shall be suspended for the time necessary to make a motion for an order. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-120, filed 11/18/85.]

WAC 458-08-130 Deposition and interrogatories in contested cases--Oral examination and cross-examination. Examination and cross-examination shall proceed as at an oral hearing. In lieu of participating in the oral examination, any party served with notice of taking a deposition may transmit written cross interrogatories to the officer who, without first disclosing them to any person, and after the direct testimony is complete, shall propound them seriatim to the deponent and record or cause the answers to be recorded verbatim. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-130, filed 11/18/85.]

WAC 458-08-140 Depositions and interrogatories in contested cases--Recordation. The officer before whom the deposition is to be taken shall put the witness on oath and shall personally or by someone acting under his or her direction and in his or her presence, record the testimony by typewriter directly or by transcription from stenographic notes, wire, or record recorders, which record shall separately and consecutively number each interrogatory. Objections to the notice, qualifications of the officer taking the deposition, or to the manner of taking it, or to the evidence presented or to the conduct of the officer, or of any party, shall be noted by the officer upon the deposition. All objections by any party not so made are waived. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-140, filed 11/18/85.]

WAC 458-08-150 Depositions and interrogatories in contested cases--Signing attestation and return. (1) When the testimony is fully transcribed, the deposition shall be submitted to the witness for examination and shall be read to or by him, unless such examination and reading are waived by the witness and by the parties. Any changes in form or substance which the witness desires to make shall be entered upon the deposition by the officer with a statement of the reasons given by the witness for making them. The deposition shall then be signed by the witness, unless the parties by stipulation waive the signing or the witness is ill or cannot be found

or refuses to sign. If the deposition is not signed by the witness, the officer shall sign it and state on the record the fact of the waiver or of the illness or absence of the witness or the fact of the refusal to sign together with the reason, if any, given therefor; and the deposition may then be used as fully as though signed, unless on a motion to suppress, the department holds that the reasons given for the refusal to sign require rejection of the deposition in whole or in part.

(2) The officer shall certify on the deposition that the witness was duly sworn and that the deposition is a true record of the testimony given by the witness. The officer shall then securely seal the deposition in an envelope indorsed with the title of proceeding and marked "Deposition of (here insert name of witness)" and shall promptly send it by registered or certified mail to the agency, or its presiding officer, for filing. The party taking the deposition shall give prompt notice of its filing to all other parties. Upon payment of reasonable charges therefor, the officer shall furnish a copy of the deposition to any party or to the deponent. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-150, filed 11/18/85.]

WAC 458-08-160 Depositions and interrogatories in contested cases--Use and effect. Subject to rulings by the presiding officer upon objections a deposition taken and filed as provided in this rule will not become a part of the record in the proceeding until received in evidence by the presiding officer upon his or her own motion or the motion of any party. Except by agreement of the parties or ruling of the presiding officer, a deposition will be received only in its entirety. A party does not make a party, or the privy of a party, or any hostile witness that party's witness by taking such deposition. Any party may rebut any relevant evidence contained in a deposition whether introduced by that party or any other party. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-160, filed 11/18/85.]

WAC 458-08-170 Depositions and interrogatories in contested cases--Fees of officers and deponents. Deponents whose depositions are taken and the officers taking the same shall be entitled to the same fees as are paid for like services in the superior courts of the state of Washington, which fees shall be paid by the party at whose instance the depositions are taken. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-170, filed 11/18/85.]

WAC 458-08-180 Depositions upon interrogatories--Submission of interrogatories. Where the deposition is taken upon written interrogatories, the party offering the testimony shall separately and consecutively number each interrogatory and file and serve them with a notice stating the name and address of the person who is to answer them and the name or descriptive title and address of the officer before whom they are to be taken. Within ten days thereafter a party so served may serve cross-interrogatories upon the party proposing to take

the deposition. Within five days thereafter, the latter may serve redirect interrogatories upon the party who served cross-interrogatories. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-180, filed 11/18/85.]

WAC 458-08-190 Depositions upon interrogatories--Interrogation. Where the interrogatories are forwarded to an officer authorized to administer oaths the officer taking the same after duly swearing the deponent, shall read to the deponent seriatim, one interrogatory at a time and cause the same and the answer thereto to be recorded before the succeeding interrogatory is asked. No one except the deponent, the officer and the court reporter or stenographer recording and transcribing it shall be present during the interrogation. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-190, filed 11/18/85.]

WAC 458-08-200 Depositions upon interrogatories--Attestation and return. The officer before whom interrogatories are verified or answered shall (1) certify under official signature and seal that the deponent was duly sworn by such officer, that the interrogatories and answers are a true record of the deponent's testimony, that no one except deponent, the officer and the stenographer were present during the taking, and that neither the officer nor the stenographer, to his or her knowledge, is a party, privy to a party, or interested in the event of the proceedings, and (2) promptly send by registered or certified mail the original copy of the deposition and exhibits with his attestation to the department, or its presiding officer, one copy to the counsel who submitted the interrogatories and another copy to the deponent. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-200, filed 11/18/85.]

WAC 458-08-210 Depositions upon interrogatories--Provisions of deposition rule. In all other respects, depositions upon interrogatories shall be governed by the previous deposition rule. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-210, filed 11/18/85.]

WAC 458-08-220 Interrogatories to parties. (1) Any party may serve upon any other party written interrogatories to be answered by the party served or, if the party served is a public or private corporation or a partnership or association or governmental agency, by any officer or agent, who shall furnish such information as is available to the party. Leave to serve interrogatories must be obtained if service by a complainant is sought within twenty days after filing of a complaint.

Interrogatories shall be so arranged that after each separate question there shall appear a blank space reasonably calculated to enable the answering party to have his answer typed in. Each interrogatory shall be answered separately and fully in writing under oath, unless it is objected to, in which event the reasons for objection

shall be stated in lieu of an answer. The answers are to be signed by the person making them, and the objections signed by the attorney making them. The party upon whom the interrogatories have been served shall serve a copy of the answers, and objections if any, within twenty days after the service of the interrogatories.

(2) An interrogatory otherwise proper is not necessarily objectionable merely because an answer to the interrogatory involves an opinion or contention that relates to fact or the application of law to fact, but the presiding officer may order that such an interrogatory need not be answered until after designated discovery has been completed or until a prehearing conference or other later time.

(3) Where the answer to an interrogatory may be derived or ascertained from the business records of the party upon whom the interrogatory has been served or from an examination, audit or inspection of such business records, or from a compilation, abstract, or summary based thereon, and the burden of deriving or ascertaining the answer is substantially the same for the party serving the interrogatory as for the party served, it is sufficient answer to such interrogatory to specify the records from which the answer may be derived or ascertained and to afford to the party serving the interrogatory reasonable opportunity to examine, audit or inspect such records and to make copies, compilations, abstracts, or summaries. A specification shall be in sufficient detail to permit the interrogating party to locate and to identify, as readily as can the party served, the records from which the answer may be ascertained.

(4) Interrogatories shall be propounded only in accordance with this rule, provided that upon failure of a person to answer interrogatories, the party propounding the interrogatories may, unless otherwise ordered by the presiding officer, seek to compel answers thereto in accordance with WAC 458-08-090 and 458-08-240. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-220, filed 11/18/85.]

WAC 458-08-230 Requests for admission. (1) A party may serve upon any other party a written request for admission, for purposes of the pending action only, of the truth of any matters within the scope of WAC 458-08-080 set forth in the request that relate to statements or opinions of fact or of the application of law to fact, including the genuineness of any documents described in the request. Copies of documents shall be served with the request unless they have been or are otherwise furnished or made available for inspection and copying. The request may, without leave of the presiding officer be served upon the complaining party after a complaint is served, or is filed, whichever shall first occur, and upon any other party with or after service of the complaint upon that party.

Each matter of which an admission is requested shall be separately set forth. The matter is admitted unless, within twenty days after service of the request, or within such shorter or longer time as the presiding officer may allow the party to whom the request is directed serves

upon the party requesting the admission a written answer or objection addressed to the matter, signed by the party or by his or her attorney, but, unless the presiding officer shortens the time, a party shall not be required to serve answers or objections before the expiration of 40 days after service of the complaint upon him or her. If objection is made, the reasons therefor shall be stated. The answer shall specifically deny the matter or set forth in detail the reasons why the answering party cannot truthfully admit or deny the matter. A denial shall fairly meet the substance of the requested admission, and when good faith requires that a party qualify an answer or deny only a part of the matter of which an admission is requested, the party shall specify so much of it as is true and qualify or deny the remainder. An answering party may not give lack of information or knowledge as a reason for failure to admit or deny unless the party states that he or she has made reasonable inquiry and that the information known or readily obtainable is insufficient to enable admission or denial. A party who considers that a matter of which an admission has been requested presents a genuine issue for hearing may not, on that ground alone, object to the request.

(2) Any matter admitted under this rule is conclusively established unless the presiding officer on motion permits withdrawal or amendment of the admission. The presiding officer may permit withdrawal or amendment when the presentation of the merits of the action will be subserved thereby and the party who obtained the admission fails to satisfy the presiding officer that withdrawal or amendment will prejudice a party in maintaining an action or defense on the merits. Any admission made by a party under this rule is for the purpose of the pending action only and is not an admission for any other purpose nor may it be used against the admitting party in any other proceeding. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-230, filed 11/18/85.]

WAC 458-08-240 Subpoenas. (1) Subpoenas shall be issued and enforced, and witness fees paid, as provided in RCW 34.04.105.

(2) Every subpoena shall identify the party causing issuance of the subpoena and shall state the name of the department and the title of the proceeding and shall command the person to whom it is directed to attend and give testimony or produce designated books, documents, or things under his or her control at the time and place set for the hearing or deposition.

(3) A subpoena may be served by any suitable person over eighteen years of age, by exhibiting and reading it to the witness, or by giving him or her a copy thereof, or by leaving such copy at the place of his or her abode. When service is made by any other person than an officer authorized to serve process, proof of service shall be made by affidavit.

(4) The presiding officer, upon motion made promptly and in any event at or before the time specified in the subpoena for compliance therewith, may (a) quash or modify the subpoena if it is unreasonable and oppressive

or (b) condition denial of the motion upon the advancement by the person in whose behalf the subpoena is issued of the reasonable cost of producing the books, papers, documents, or tangible things. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-240, filed 11/18/85.]

WAC 458-08-250 Settlement. The parties to a proceeding may enter into a voluntary settlement of the subject matter contained in any notice of hearing or complaint prior or subsequent to hearing. In exploration or furtherance of a voluntary settlement, the parties may confer within or outside the presence of the presiding officer. Any such settlement conference shall be informal and without prejudice to the rights of the parties. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-250, filed 11/18/85.]

WAC 458-08-260 Decision procedure. At the conclusion of a hearing the presiding officer shall announce his or her decision or what action will be recommended to the department or may take the decision under advisement. The presiding officer shall prepare a written summary of findings together with a recommendation for action by the department unless such officer is the person authorized to make final decisions on behalf of the department. In such case the presiding officer shall make a written summary of findings, conclusions and a decision with respect to action to be taken by the department. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-260, filed 11/18/85.]

WAC 458-08-270 Review procedures. In all cases not heard by a presiding officer authorized to make final decisions on behalf of the department the file, together with the presiding officer's findings, conclusions, and recommendations shall be forwarded to the director of the department or to such other person to whom the director has assigned responsibility for review and decision. Review and decision by the director or the director's assignee shall be in accordance with RCW 34.04.110, 34.04.115, and 34.04.120. [Statutory Authority: RCW 82.01.060(2) and 34.12.080. 85-23-049 (Order PR 85-1), § 458-08-270, filed 11/18/85.]

Chapter 458-12 WAC

PROPERTY TAX DIVISION--RULES FOR ASSESSORS

WAC

458-12-250	Repealed.
458-12-255	Repealed.
458-12-260	Repealed.
458-12-265	Repealed.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

458-12-250	Listing of property—Ships and vessels—Definition. [Order PT 68-6, § 458-12-250, filed 4/29/68.] Repealed by 85-22-083 (Order PT 85-4), filed
------------	--

- 11/6/85, effective 1/1/86. Statutory Authority: RCW 84.08.070.
- 458-12-255 Listing of property—Ships and vessels—Taxable situs in Washington. [Order PT 68-6, § 458-12-255, filed 4/29/68.] Repealed by 85-22-083 (Order PT 85-4), filed 11/6/85, effective 1/1/86. Statutory Authority: RCW 84.08.070.
- 458-12-260 Listing of property—Ships and vessels—Vessels under construction. [Order PT 68-6, § 458-12-260, filed 4/29/68.] Repealed by 85-22-083 (Order PT 85-4), filed 11/6/85, effective 1/1/86. Statutory Authority: RCW 84.08.070.
- 458-12-265 Listing of property—Ships and vessels—Partial exemption. [Order PT 68-6, § 458-12-265, filed 4/29/68.] Repealed by 85-22-083 (Order PT 85-4), filed 11/6/85, effective 1/1/86. Statutory Authority: RCW 84.08.070.

WAC 458-12-250 Repealed. See Disposition Table at beginning of this chapter.

WAC 458-12-255 Repealed. See Disposition Table at beginning of this chapter.

WAC 458-12-260 Repealed. See Disposition Table at beginning of this chapter.

WAC 458-12-265 Repealed. See Disposition Table at beginning of this chapter.

Chapter 458-14 WAC RECONVENING COUNTY BOARDS OF EQUALIZATION

WAC

- 458-14-040 Limitations on reconvening.
458-14-045 Reconvening upon timely filed petition.

RULES OF PRACTICE AND PROCEDURE

- 458-14-092 Change of assessment rolls.
458-14-152 Manifest errors.

WAC 458-14-040 Limitations on reconvening. No order reconvening the July session of the county board of equalization shall be issued subsequent to the 30th day of April immediately following the time the board was in regular session, except where the request for the order alleges sufficient facts to substantiate a prima facie showing that there was either actual fraud on the part of the taxpayer or taxing officers, or that an error occurred because the taxing officers, acting with due diligence, did not have available all of the facts when performing their duties, or except where, in cases in which the department orders upon its own initiative the reconvening of a county board, the department has grounds to substantiate a prima facie showing that there was actual fraud on the part of the taxpayer or taxing officers or constructive fraud on the part of taxing officers; nor will a board be reconvened to act upon or consider an increase in the valuation of real estate when a bona fide purchaser, encumbrancer or contract buyer of record has acquired an interest in such real property subsequent to the first Monday in January next succeeding the date of levy of the taxes. [Statutory Authority: RCW 84.08.010 and 84.08.070. 85-17-016 (Order

PT 85-3), § 458-14-040, filed 8/12/85; Order PT 70-1, § 458-14-040, filed 4/8/70; Tax Commission Rule 4, filed 7/6/66.]

WAC 458-14-045 Reconvening upon timely filed petition. (1) Notwithstanding the provisions of WAC 458-14-010 through 458-14-040, any July session of the county board of equalization which has timely received a petition as required by WAC 458-14-120, and which has adjourned in accordance with WAC 458-14-075, shall reconvene upon a date set by the board to consider said timely filed petition. In addition, the board may reconvene to consider a subsequent year(s) value when an order of the county board or the state board of tax appeals adjusting a value is issued after the convening of the July board of the subsequent year(s) and no intervening change of value has occurred and a petition is filed with the board within thirty days of the order or a notice of a change sent by the assessor.

(2) No board shall reconvene later than three years after the adjournment of its regular session.

(3) No July session of the county board of equalization shall reconvene to consider any petition not timely filed except upon written order of the department of revenue or as provided in subsection (1) of this section. [Statutory Authority: RCW 84.08.010 and 84.08.070. 85-17-016 (Order PT 85-3), § 458-14-045, filed 8/12/85; 82-19-012 (Order PT 82-6), § 458-14-045, filed 9/7/82.]

RULES OF PRACTICE AND PROCEDURE

WAC 458-14-092 Change of assessment rolls. (1) The assessment rolls shall not be changed subsequent to certification as required by WAC 458-14-090 and 458-14-091 except in the following cases:

(a) Ordered by the county board of equalization (WAC 458-14-130).

(b) Ordered by the state board of tax appeals (RCW 84.08.120).

(c) Reduced because of destroyed property (chapter 84.70 RCW).

(d) Removal from current use assessment (RCW 84.34.108).

(e) Removal of designation or classification as forest land (RCW 84.33.120 and 84.33.140).

(f) Removal of the senior citizens/disabled persons exemption (AGO 1971 No. 31 and AGO 1972 No. 23).

(g) Adding formerly exempt property to the rolls (RCW 84.36.855 and 84.40.350 through 84.40.390).

(h) Removal of exempt property from the rolls (RCW 84.36.815 and 84.60.050 through 84.60.070).

(i) Adding omitted property to the rolls (RCW 84.40.060, 84.40.080 and 84.40.085).

(j) Adding omitted value to the rolls (RCW 84.40.060, 84.40.080 and 84.40.085).

(k) Adding new construction to the rolls (RCW 36.21.080 and 84.40.040).

(l) Correction of mathematical calculations on personal property affidavits committed by the assessor's office.

(m) Removal of special valuation for historic property. (chapter 449, Laws of 1985).

(2) The county board of equalization may reconvene as provided for in WAC 458-14-045 for assessment roll changes as a result of subparagraphs (d), (e), (f), (g), (i), (j), (k) and (m) of subsection (1) of this section. [Statutory Authority: RCW 84.08.010 and 84.08.070. 85-17-016 (Order PT 85-3), § 458-14-092, filed 8/12/85; 82-19-012 (Order PT 82-6), § 458-14-092, filed 9/7/82.]

WAC 458-14-152 Manifest errors. (1) A manifest error as provided in RCW 84.52.090, 84.56.400 and 84.68.110 will be held to be any of the following:

(a) Any error that is clearly evident from an inspection of any "assessment list" or "tax roll" itself; or

(b) Any error that becomes clearly evident upon examination of any record of the county assessor or other public officer, upon which any "assessment list" or "tax roll" is based; or

(c) Any other error made in the process of preparing any "assessment list" or "tax roll," and subsequently becoming evident;

(2) No manifest error shall be corrected that involves a revaluation of the property. Revaluation shall mean a change in value based upon an exercise of appraisal judgment brought about by a physical appraisal or a statistical update as provided for in RCW 84.41.041. Revaluation shall not include a change in value which is based solely upon correcting double assessments, incorrect characteristics, posting errors, incorrect placement of improvements, erroneous measurements, and misapplication of statistical data through clerical error.

(3) Corrections of manifest errors which involve a revaluation of property can only be done by the reconvened July board of equalization pursuant to RCW 84.48.010. [Statutory Authority: RCW 84.08.010 and 84.08.070. 85-17-016 (Order PT 85-3), § 458-14-152, filed 8/12/85; Order PT 74-5, § 458-14-152, filed 4/29/74.]

Chapter 458-16 WAC PROPERTY TAX--EXEMPTIONS

WAC	
458-16-110	Applications--Who must file, filing requirement, application forms, what covered, filing fee, financial statement, evidence of timely filing.
458-16-111	Filing fees, penalties and refunds.
458-16-130	Real property sold or acquired by property owner deemed to be exempt.
458-16-150	Cessation of use--Taxes collectible.
458-16-210	Nonprofit, nonsectarian organizations.
458-16-220	Church camps.
458-16-230	Character building organizations.
458-16-240	Veterans organizations.
458-16-260	Day care centers, libraries, orphanages, homes for the aged, homes for sick or infirm, hospitals.
458-16-270	Schools and colleges.
458-16-280	Art, scientific and historical collections--Fire companies--Humane societies.
458-16-282	Musical, dance, artistic, dramatic and literary associations.

WAC 458-16-110 Applications--Who must file, filing requirement, application forms, what covered, filing fee, financial statement, evidence of timely filing. All foreign national governments, cemeteries, nongovernmental nonprofit corporations, organizations, and associations, and soil and water conservation districts seeking exemption from ad valorem property taxation under the provisions of chapter 84.36 RCW shall make application for exemption with the State of Washington Department of Revenue General Administration Building, Olympia, WA 98504.

(1) Initial applications for exemption shall be filed on or before March 31 or within sixty days of the date of acquisition or conversion to an exempt use. Renewal applications and annual recertifications shall be filed on or before March 31.

Initial and renewal applications and recertifications received after the due date are subject to late filing penalties. The department of revenue shall allow a reasonable extension of time for filing upon written request filed on or before the required filing date and for good cause shown.

(a) Initial applications: The original application an organization files or an application by such organization for additional property not currently claimed for exemption.—Fee due.

(b) Renewal application: The claim for continued exemption filed every fourth year after the latest initial application.—Fee due.

(c) Recertifications: A certification on department of revenue forms, that the use and exempt status of the real and personal property claimed by the exempt organization has not changed.—No fee due.

All initial and renewal applications and recertifications for exemption shall be filed on forms prescribed by the department of revenue and shall be signed by an authorized agent. On or before January 1 of each year the department shall mail the forms to each legal owner that was granted an exemption for the previous year. Applications shall be available from the department of revenue or from the county assessor's office. No property shall be granted an exempt status without the owner first filing for exemption, for the specific property for which exemption is sought. The filing shall be due regardless of whether the legal owner has received forms for exemption from the department.

To retain exempt status, applicants except nonprofit cemeteries must file a renewal application on or before March 31 of every fourth year following the date of the initial application. When an applicant previously granted exemption acquires or otherwise converts real property to exempt status, such applicant shall file an initial application within sixty days following the conversion of such real property to exempt status without penalty. Failure to file an initial application within sixty days of conversion of such real property to exempt status shall result in a late filing penalty. See WAC 458-16-111 for computation of penalty.

In the years renewal applications are not due, an applicant previously granted exemption shall annually file a recertification: *Provided*, That when the annual filing

has not been made by March 31, the ten dollars per month filing penalty will apply to the date the application is completed. Failure to file an annual claim will result in a taxable determination for current year taxes.

(2) The property covered by each application for property tax exemption shall include all the real and personal property which is contiguous, and which is used as a homogeneous unit.

(a) The term "homogeneous unit" means property under the control of a single applicant, the operation and use of which is integrated with and directly related to the activity of the entity seeking exemption.

(b) The term "contiguous" means all property which is geographically one unit without separation except for separations caused by public streets and roads.

Examples:

A church owns a single piece of property upon which is constructed a church, parsonage, and elementary school. All three buildings are owned by the church and constitute a homogeneous unit in that they are integrated with and directly related to the activities of the church. This requires only one application because the property is geographically contiguous and is a homogeneous unit.

O corporation, the supervising entity of a nonprofit recognized religious denomination, holds title to five separate units in a county. The operation of each church unit is integrated with the activity of and supervised by O. To properly apply for an exemption for these five church units O would be required to file a separate application for each church unit as they are geographically separate.

No application shall be acted upon until complete. To be complete an applicant must have on file with the department of revenue copies of their articles of incorporation and all amendments and a copy of their current bylaws. All initial applications must be accompanied by an accurate map identifying by dimension the use or proposed use of all areas including building sites, parking, landscaping, and vacant areas from which an accurate determination for exemption or a segregation for partial exemption can be made. Legal descriptions and county parcel numbers must also be provided. The department of revenue will not act on any application until all fees and penalties have been submitted.

Organizations claiming exemption under RCW 84.36.030 through 84.36.480 are required to provide financial information to the department of revenue upon request.

Property leased may be claimed by the lessor or lessee, provided the lessee has permission of the lessor to claim exemption. Property claimed by the lessee must be specifically identified by owner and location of the property. Claims for leased property must be accompanied by a complete copy of the lease agreement.

The department of revenue shall have access to all books and records necessary to determine if the requirements for exemption have been complied with. The department of revenue shall have the authority to request additional information relevant to the claim for exemption as the department deems necessary. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1),

§ 458-16-110, filed 2/15/85; 81-05-017 (Order PT 81-7), § 458-16-110, filed 2/11/81; Order PT 77-2, § 458-16-110, filed 5/23/77; Order PT 76-2, § 458-16-110, filed 4/7/76. Formerly WAC 458-12-146.]

WAC 458-16-111 Filing fees, penalties and refunds.

Filing fee:

The filing fee of \$35.00 shall be collected before the department of revenue considers either an initial or renewal application (as defined in WAC 458-16-110) for property tax exemption.

Late penalties:

A late filing penalty of \$10.00 per month or portion of a month shall be collected before the department of revenue will consider any claim for property tax exemption when the completed claim is not filed by the due date. Late filing penalties are computed from the date the filing should have been made to the date the claim was received. The department will allow a two-week period in writing when notifying applicants of late filing penalties needed. Applicants not completing the application in the period allowed, must be assessed late filing penalties to the date all fees are received. Applications for current and previous years' taxes may be accepted if the applicant provides proof the property was used for exempt purposes and the initial filing fees and late filing penalties are submitted for the period the application for exemption should have been filed to the date the application is completed.

Refunds:

Fees and penalties will be refunded if:

(1) A duplicate claim for the same property is filed by the same legal owner for the same year.

(2) A claim is improperly received by the department of revenue and it has no authority to consider it. (Example: Claim filed by government entity.)

(3) A request for withdrawal of the application for exemption is received in writing prior to the department issuing a determination. The request shall include a signed statement clearly withdrawing the claim for exemption. The person requesting the withdrawal must be the same person who signed the application or another person authorized by the legal owner.

The department of revenue has no authority to refund fees or penalties after a determination is issued. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-111, filed 2/15/85; 81-05-017 (Order PT 81-7), § 458-16-111, filed 2/11/81; Order PT 77-2, § 458-16-111, filed 5/23/77.]

WAC 458-16-130 Real property sold or acquired by property owner deemed to be exempt. As required by RCW 84.36.855, real property which is transferred or converted by an exempt body to taxable ownership or use or which is no longer exempt for any reason shall be subject to a prorata portion of taxes allocable to that property for the remaining portion of that year, after the date of the execution of the instrument of sale, contract or exchange, or the conversion to a taxable use or the date the property is no longer exempt as provided in

RCW 84.40.350 through 84.40.390. Real property exempted pursuant to RCW 84.36.030, 84.36.037, 84.36.040, 84.36.050 and 84.36.060 is also subject to the provisions of RCW 84.36.810.

When any property owner determined to be, or could be, exempt under chapter 84.36 RCW acquires ownership of real property which was in other ownership as of January 1 or converts real property from a taxable to an exempt use must apply for and provide proof that under the specific RCW section and appropriate WAC, the property is entitled to exemption or continued exemption from time of transfer or conversion.

When organizations acquire or convert real property to an exempt use, the property will upon approval of the application for exemption, be entitled to a cancellation or refund of the taxes or the prorata portion of taxes payable for the remaining portion of the year from the date of acquisition or conversion plus exemption for the following year. If the taxes have been paid or if the timing of granting the exemption requires it, the department of revenue will reconvene the June session of the county board of equalization, under the provisions of RCW 84.56.400, in order to cancel the taxes and/or to institute a refund as provided in chapter 84.69 RCW. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-130, filed 2/15/85. Statutory Authority: RCW 84.36.389 and 84.36.865. 83-19-029 (Order PT 83-5), § 458-16-130, filed 9/14/83. Statutory Authority: RCW 84.36.865. 81-21-009 (Order PT 81-13), § 458-16-130, filed 10/8/81; 81-05-017 (Order PT 81-7), § 458-16-130, filed 2/11/81; Order PT 77-2, § 458-16-130, filed 5/23/77; Order PT 76-2, § 458-16-130, filed 4/7/76. Formerly WAC 458-12-148.]

WAC 458-16-150 Cessation of use--Taxes collectible. Upon cessation of any use exempted under RCW 84.36.030, 84.36.037, 84.36.040, 84.36.050 and 84.36.060, the taxes that would have been paid had the property not been exempt during the three years preceding, or for the life of the exemption, if such be less than three years, shall be collectible.

If the property has been exempt for more than ten years the rollback will not be implemented.

The property owner, county assessor, or any other public official having information or knowledge of any change in use, including lease or rental of all or a part of such properties, which may constitute cessation of use, shall notify the department of any such changes in use which may be brought to their attention. The department shall notify the current property owner, and the legal owner previously granted exemption, of the reported change in use and shall examine the property to determine if the reported change has taken place. The property owner shall have 30 days from the time of notification by the department to submit any information which may be relevant to the question of changing use.

The department shall determine, upon the information supplied by the assessor or the public official, the property owner, or from the inspection of the property, whether such a cessation of use as warrants the rollback has occurred.

The county treasurer, upon notification from the department of revenue, shall compute the taxes payable, together with interest, at the same rate and computed in the same manner as that upon delinquent property taxes. The tax shall be distributed by the county treasurer in the same manner as taxes were distributed for those years that taxes would have been paid if the property had not been exempt. The interest shall be placed in the county current expense fund. If such a cessation of use involves a portion of the total property, the taxes collectible shall attach to only that portion affected. The rollback will be implemented only upon transfer of the property or when 51% or more of the property has ceased to qualify for exemption. The percentage of non-qualifying use will be determined separately for the land and improvements.

If the cessation of use resulted solely from one of the six conditions identified as (3)(a) through (f) in RCW 84.36.810, the provisions of this section shall not apply.

Lease or rental of all or part of such properties may constitute a cessation of use and knowledgeable authorities should report same to the department of revenue.

"Relocation of the activity" means the use of another location or site for the same activity that was carried on at the original site to the extent that it is a new location or site, or it is an existing site whose facilities have expanded to accommodate the relocated activity.

Property exempted for an intended use, but never put to such use will be subject to a rollback for the life of the exemption when sold or put to a disqualifying use, or when it is determined the intended use will not be achieved. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-150, filed 2/15/85. Statutory Authority: RCW 84.36.389 and 84.36.865. 83-19-029 (Order PT 83-5), § 458-16-150, filed 9/14/83. Statutory Authority: RCW 84.36.865. 82-22-060 (Order PT 82-8), § 458-16-150, filed 11/2/82; 81-05-017 (Order PT 81-7), § 458-16-150, filed 2/11/81; Order PT 77-2, § 458-16-150, filed 5/23/77; Order PT 76-2, § 458-16-150, filed 4/7/76. Formerly WAC 458-12-151.]

WAC 458-16-210 Nonprofit, nonsectarian organizations. (1) The real and personal property owned by nonsectarian organizations is exempt from taxation, provided that: (a) The organization is nonprofit and is organized and conducted primarily for nonsectarian purposes, (b) the property is, except as provided in RCW 84.36.805 and subsections (2) and (4) of this section, used for character-building, benevolent, protective or rehabilitative social services directed at persons of all ages, and (c) if these organizations were not conducting these activities the government would provide this service.

These are the primary uses and the word "fraternal" is not among them, therefore, organizations whose main function is fraternal would not qualify under this section.

This exemption extends to property of nonprofit, nonsectarian organizations which are used for benevolent, protective or rehabilitative social services and those

which are actually related to those purposes. If any portion of the property of the organization is used for commercial rather than nonsectarian purposes, that portion must be segregated and taxed. Thrift store operations, restricted to the sale of "donated merchandise" will not jeopardize the exemption if the claimant can verify the proceeds are directed to an exempt purpose.

Organizations claiming exemption on property used to provide short-term emergency shelter to homeless persons will upon request provide complete financial information regarding the claimed property, and will also provide the policy used in screening clients, the maximum term of stay, the fee schedule and the number of persons housed.

(2) The loan or rental of the property does not subject the property to tax if (a) the rents and donations received for the use of the portion of the property are reasonable and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented, and (b) the property would be exempt from tax if owned by the organization to which it is loaned or rented. (RCW 84.36.805) Maintenance and operating expenses means those items of rental expense as allowed and defined generally accepted accounting principles.

(3) Programs provided under a personal service contract will not jeopardize the exemption if the following conditions are met:

(a) The contract is written to clearly reflect all receipts and expenses are to be administered by the exempt organization.

(b) The financial records of the exempt organization will identify all receipts and expenses of the programs.

(c) The program is compatible and consistent with the purposes of the exempt organization.

(d) A summary of all receipts and expenses of the program will be provided to the department upon request.

Programs provided under a personal service contract, whereby the contractor will reimburse the organization for expenses pertaining to the program will be viewed as a rental agreement between the exempt organization and an individual or for profit user and will subject that portion of property to tax.

(4) The use of the property for fund-raising activities sponsored by the exempt organization does not subject the property to tax if the fund-raising activities are consistent with the purposes for which exemption is granted. The term "fund raising" means any revenue-raising activity limited to less than five days in length including but not limited to art auctions, use of the property by professional organizations for conferences, seminars, or other activities which enhance the reputation of the organization. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-210, filed 2/15/85. Statutory Authority: RCW 84.36.389 and 84.36.865. 83-19-029 (Order PT 83-5), § 458-16-210, filed 9/14/83. Statutory Authority: RCW 84.36.865. 81-05-017 (Order PT 81-7), § 458-16-210, filed 2/11/81; Order PT 77-2, § 458-16-210, filed 5/23/77; Order PT

76-2, § 458-16-210, filed 4/7/76. Formerly WAC 458-12-205.]

WAC 458-16-220 Church camps. The property owned by a nonprofit church or an organization or association comprised solely of churches or their qualified representatives which is, except as provided in RCW 84.36.805 and subsections (1) and (3) of this section, used exclusively or jointly used for organized and supervised recreational or educational activities and church purposes as related to such camp facilities are exempt from ad valorem taxation up to a maximum of 200 acres as selected by the church, including buildings and other improvements thereon.

(1) The loan or rental of the property does not subject the property to tax if (a) the rents and donations received for the use of the portion of the property are reasonable and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented; and (b) the property would be exempt from tax if owned by the organization to which it is loaned or rented. (RCW 84.36.805) Maintenance and operating expenses means those items of rental expense as allowed and defined in generally accepted accounting principles.

(2) Programs provided under a personal service contract will not jeopardize the exemption if the following conditions are met:

(a) The contract is written to clearly reflect all receipts and expenses are to be administered by the exempt organization.

(b) The financial records of the exempt organization will identify all receipts and expenses of the programs.

(c) The program is compatible and consistent with the purposes of the exempt organization.

(d) A summary of all receipts and expenses of the program will be provided to the department upon request.

Programs provided under a personal service contract, whereby the contractor will reimburse the organization for expenses pertaining to the program will be viewed as a rental agreement between the exempt organization and an individual or for profit user and will subject that portion of property to tax.

(3) The use of the property for fund-raising activities sponsored by the exempt organization does not subject the property to tax if the fund-raising activities are consistent with the purposes for which exemption is granted. The term "fund raising" means any revenue-raising activity limited to less than five days in length including but not limited to art auctions, use of the property by professional organizations for conferences, seminars, or other activities which enhance the reputation of the organization.

It shall be the burden of the organization owning the property to insure that the lessee abides by the terms of the statute under which the exemption is obtained and provide evidence of compliance upon request. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-220, filed 2/15/85; Order PT 77-2, §

458-16-220, filed 5/23/77; Order PT 76-2, § 458-16-220, filed 4/7/76. Formerly WAC 458-12-206.]

WAC 458-16-230 Character building organizations.

(1) Property, including buildings and improvements required for the maintenance and safeguarding of such property, which is owned by organizations and associations engaged in character building of boys and girls under eighteen years of age, is exempt from taxation to the extent that it is, except as provided in RCW 84.36.805 and subsections (2) and (4) of this section, solely used, or to the extent used, for such purposes and uses: *Provided*, That (a) the group is nonprofit, and (b) the purposes of the group are for the general good and its properties are devoted to the general public benefit. Only that property solely used is exempt, and property used for other purposes, whether commercial or otherwise, must be segregated and taxed.

If the existing charters of such organizations or associations provide for services to boys and girls up to the age of twenty-one years, then such organizations or associations shall be deemed qualified under this rule.

(2) The loan or rental of the property does not subject the property to tax if (a) the rents and donations received for the use of the portion of the property are reasonable and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented; and (b) the property would be exempt from tax if owned by the organization to which it is loaned or rented. (RCW 84.36.805) Maintenance and operating expenses means those items of rental expense as allowed and defined in generally accepted accounting principles.

(3) Programs provided under a personal service contract will not jeopardize the exemption if the following conditions are met:

(a) The contract is written to clearly reflect all receipts and expenses are to be administered by the exempt organization.

(b) The financial records of the exempt organization will identify all receipts and expenses of the programs.

(c) The program is compatible and consistent with the purposes of the exempt organization.

(d) A summary of all receipts and expenses of the program will be provided to the department upon request.

Programs provided under a personal service contract, whereby the contractor will reimburse the organization for expenses pertaining to the program will be viewed as a rental agreement between the exempt organization and an individual or for profit user and will subject that portion of property to tax.

(4) The use of the property for fund-raising activities sponsored by the exempt organization does not subject the property to tax if the fund-raising activities are consistent with the purposes for which exemption is granted. The term "fund raising" means any revenue raising activity limited to less than five days in length including but not limited to art auctions, use of the property by professional organizations for conferences, seminars, or

other activities which enhance the reputation of the organization. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-230, filed 2/15/85; Order PT 77-2, § 458-16-230, filed 5/23/77; Order PT 76-2, § 458-16-230, filed 4/7/76. Formerly WAC 458-12-210.]

WAC 458-16-240 Veterans organizations. (1)

Property of veterans organizations, which are recognized by the department of defense and nationally chartered, are exempted from taxation. To qualify, these organizations shall have as their general purpose and objectives; (a) the preservation of war memories and associations, and (b) consecration of their efforts toward mutual helpfulness and patriotic or community services. To be exempt the property must be, except as provided in RCW 84.36.805 and subsections (2) and (4) of this section, used for the purposes and objectives of the organization.

(2) The loan or rental of the property does not subject the property to tax if (a) the rents and donations received for the use of the portion of the property are reasonable and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented; and (b) the property would be exempt from tax if owned by the organization to which it is loaned or rented. (RCW 84.36.805) Maintenance and operating expenses means those items of rental expense as allowed and defined in generally accepted accounting principles.

(3) Programs provided under a personal service contract will not jeopardize the exemption if the following conditions are met:

(a) The contract is written to clearly reflect all receipts and expenses are to be administered by the exempt organization.

(b) The financial records of the exempt organization will identify all receipts and expenses of the programs.

(c) The program is compatible and consistent with the purposes of the exempt organization.

(d) A summary of all receipts and expenses of the program will be provided to the department upon request.

Programs provided under a personal service contract, whereby the contractor will reimburse the organization for expenses pertaining to the program will be viewed as a rental agreement between the exempt organization and an individual or for profit user and will subject that portion of property to tax.

(4) The use of the property for fund-raising activities sponsored by the exempt organization does not subject the property to tax if the fund-raising activities are consistent with the purposes for which exemption is granted. The term "fund raising" means any revenue-raising activity limited to less than five days in length including but not limited to art auctions, use of the property by professional organizations for conferences, seminars, or other activities which enhance the reputation of the organization. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-240, filed 2/15/85; Order PT 77-2, § 458-16-240, filed 5/23/77; Order PT

76-2, § 458-16-240, filed 4/7/76. Formerly WAC 458-12-215.]

WAC 458-16-260 Day care centers, libraries, orphanages, homes for the aged, homes for sick or infirm, hospitals. Buildings, grounds, and other real and personal property to the extent used, except as provided for in RCW 84.36.805 and subsections (8) and (10) of this section, by the following institutions are exempt from taxation:

- (1) Day care centers, as defined by RCW 74.15.020;
- (2) Preschools;
- (3) Free public libraries;
- (4) Orphanages and orphan asylums;
- (5) Homes for the aged;
- (6) Homes for the sick or infirm;
- (7) Hospitals for the sick including any portion of the hospital building or other buildings used as a nurse's home or residence for hospital employees, or operated as a portion of the hospital unit.

Any portion of property owned by an organization which is used in a manner not furthering the purposes of the institution, (for example, hospital property used by a physician for private practice) must be segregated and taxed. (AGO 7-3-1935)

Property owned by an organization exempt under this rule which is irrevocably dedicated to the purposes of the organization is included in this exemption: *Provided*, That the organization can evidence irrevocable intent to put the property to a qualifying use. The forms of proof set forth in WAC 458-16-200 may be utilized for this purpose. To be exempted, the property must be in use or under construction which is designed for use.

The superintendent or manager of the organization claiming exemption under this statute shall allow the department of revenue access to the books and records of the organization and shall make, under oath, a report to the department showing that the income and receipts thereof, including donations to it, have been applied to the actual expenses of operating and maintaining it, or for its capital expenses and to no other purposes, also including a statement of the receipts and the disbursements of said organization.

An exemption may be granted to the real or personal property leased or rented by any organization, corporation, or association exempted under the provisions of RCW 84.36.040 and used exclusively by it: *Provided*, That the benefit of the exemption inures to the user. Such property must be specifically identified as leased in filing for exemption.

For the purposes of this rule a "hospital" is an organization primarily engaged in providing medical, surgical, nursing and/or related health care services in the prevention, diagnosis or treatment of human disease, pain, injury, disability, deformity or physical condition, or mental illness or retardation, and the equipment and facilities used by such organization to deliver such services on an inpatient basis. This definition shall include any portion of a hospital building, or other buildings used in

connection therewith, and the equipment therein, operated as a portion of the hospital unit, or used as a residence for persons engaged or employed in the operation of a hospital.

(8) The loan or rental of this property does not subject the property to tax if (a) the rents and donations received for the use of the portion of the property are reasonable and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented; and (b) the property would be exempt from tax if owned by the organization to which it is loaned or rented. (RCW 84.36.805) Maintenance and operating expenses means those items of rental expense as allowed and defined in generally accepted accounting principles.

(9) Programs provided under a personal service contract will not jeopardize the exemption if the following conditions are met:

(a) The contract is written to clearly reflect all receipts and expenses are to be administered by the exempt organization.

(b) The financial records of the exempt organization will identify all receipts and expenses of the programs.

(c) The program is compatible and consistent with the purposes of the exempt organization.

(d) A summary of all receipts and expenses of the program will be provided to the department upon request.

Programs provided under a personal service contract, whereby the contractor will reimburse the organization for expenses pertaining to the program will be viewed as a rental agreement between the exempt organization and an individual or for profit user and will subject that portion of property to tax.

(10) The use of the property for fund-raising activities sponsored by the exempt organization does not subject the property to tax if the fund-raising activities are consistent with the purposes for which exemption is granted. The term "fund raising" means any revenue-raising activity limited to less than five days in length including but not limited to art auctions, use of the property by professional organizations for conferences, seminars, or other activities which enhance the reputation of the organization. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-260, filed 2/15/85. Statutory Authority: RCW 84.36.389 and 84.36.865. 83-19-029 (Order PT 83-5), § 458-16-260, filed 9/14/83. Statutory Authority: RCW 84.36.865. 81-05-017 (Order PT 81-7), § 458-16-260, filed 2/11/81; Order PT 77-2, § 458-16-260, filed 5/23/77; Order PT 76-2, § 458-16-260, filed 4/7/76. Formerly WAC 458-12-225.]

WAC 458-16-270 Schools and colleges. The property owned or used by any nonprofit school or college within this state shall be exempt to the extent that:

(1) The property is used for educational purposes, or cultural or art educational programs as defined in RCW 82.04.4328. The term "educational purposes" includes systematic instruction in any and all branches of learning from which a substantial public benefit is derived. In

addition, the term "educational purposes" includes all purposes which seek to promote education.

(2) The real property so exempt shall not exceed four hundred acres in extent and except as provided in RCW 84.36.805 and subsections (6) and (8) of this section shall be used exclusively for college or campus purposes. College or campus purposes shall be construed to mean that the need for such property would be nonexistent, but for the presence of such school or college and the property is principally designed to further the educational functions of such college or schools. As used in this subsection, the term "educational functions" means any function, action, or activity sponsored by the nonprofit school, which promotes education or advances educational purposes.

(3) Institutions claiming exemption for property which is not a portion of the main campus must provide in detail when requested by the department of revenue:

- (a) The courses taught on site;
- (b) A calendar of uses; and
- (c) The number of students participating on site.

(4) The institution must be open to all persons on equal terms. However, there is no limitation on the types of courses which the institution may offer.

(5) For purposes of this exemption, "schools and colleges" will mean (a) those nonprofit educational institutions which are either accredited by the state or whose students and credentials are accepted without examination by schools and colleges established under Title 28A or 28B RCW and which offer to students an educational program of a general academic nature, or (b) those nonprofit institutions meeting the following criteria:

- (i) It must have a definable curriculum for a specific group with definable and measurable outcomes;
- (ii) It must have a qualified and/or certified faculty;
- (iii) It must have facilities and equipment that are designed for the primary purpose of the educational program;
- (iv) It must have an attendance specification;
- (v) It must have a schedule or course of study supporting the instructional curriculum;
- (vi) It must have accreditation or recognition by a professional association.

(6) The loan or rental of the property does not subject the property to tax if (a) the rents and donations received for the portion of the property are reasonable and do not exceed the maintenance and operation expenses attributable to the term and portion of the property loaned or rented; and (b) the property would be exempt from tax if owned by the organization to which it is loaned or rented. (RCW 84.36.805): *Provided, however*, That the loan or rental of school or college property to other nonprofit organizations, for periods of less than fifteen days shall not be subject to the restrictions of this subsection so long as all income received therefrom is devoted exclusively to the support and maintenance of the school or college. Maintenance and operating expenses means those items of rental expense as allowed and defined in generally accepted accounting principles. Property of nonprofit schools owned, controlled, rented or leased for the purpose of deriving revenue from it,

shall not be exempt and must be segregated and taxed whether or not such revenue is devoted to educational purposes. For purposes of this subsection the term "revenue" means income received by the school or college for the loan, lease, or rental of its property when such income exceeds the amount of the maintenance and operation expenses attributable to the term and portion of the property loaned or rented.

(7) Programs provided under a personal service contract will not jeopardize the exemption if the following conditions are met:

(a) The contract is written to clearly reflect all receipts and expenses are to be administered by the exempt organization.

(b) The financial records of the exempt organization will identify all receipts and expenses of the programs.

(c) The program is compatible and consistent with the purposes of the exempt organization.

(d) A summary of all receipts and expenses of the program will be provided to the department upon request.

Programs provided under a personal service contract, whereby the contractor will reimburse the organization for expenses pertaining to the program will be viewed as a rental agreement between the exempt organization and an individual or for profit user and will subject that portion of property to tax.

(8) The use of the property for fund-raising activities sponsored by the exempt organization does not subject the property to tax if the fund-raising activities are consistent with the purposes for which exemption is granted. The term "fund raising" means any revenue raising activity limited to less than five days in length including but not limited to art auctions, use of school property by professional organizations for conferences, seminars, or other activities which enhance the reputation of the school or college, or the use of school property for any educational purpose.

(9) Institutions claiming exemption within this rule shall allow the department of revenue access to all books and records of the institution and shall annually make, under oath, a report to the department showing that the income and receipts thereof, including donations to it, have been applied to the actual expenses of operating and maintaining it or for capital expenses for endowments, the income of which shall be used for the operation, maintenance or capital expenditures and to no other purpose, also including a statement of the receipts and disbursements of said organization. In addition, institutions claiming exemption under this rule shall submit a list of all property claimed to be exempt, the purpose for which it is used, the revenue derived from it during the preceding year, the use to which the revenue was applied, the number of students in attendance at the institution, the total revenues of the institution and the source from which they were derived, and the purposes to which such revenues were applied, giving the items of such revenues and expenditures in detail. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-270, filed 2/15/85. Statutory Authority: RCW 84.36.389 and 84.36.865. 83-19-029 (Order PT

83-5), § 458-16-270, filed 9/14/83. Statutory Authority: RCW 84.36.865. 82-22-060 (Order PT 82-8), § 458-16-270, filed 11/2/82; 81-05-017 (Order PT 81-7), § 458-16-270, filed 2/11/81; Order PT 77-2, § 458-16-270, filed 5/23/77; Order PT 76-2, § 458-16-270, filed 4/7/76. Formerly WAC 458-12-230.]

WAC 458-16-280 Art, scientific and historical collections—Fire companies—Humane societies. (1) All art, scientific, or historical collections, together with all real and personal property used exclusively, except as provided in RCW 84.36.805 and subsections (4) and (6) of this section, for the safekeeping, maintaining or exhibiting of such, which are maintained or exhibited for the general public and not for profit, shall be exempt from taxation under the following conditions:

(a) Such organization must be organized and operated exclusively for artistic, scientific, historical, literary or educational purposes, and

(b) Receive a substantial part of its income (exclusive of income received in the exercise or performance by such organization of its purpose or function) from the United States, any state or political subdivision thereof, or from direct or indirect contributions from the general public.

(2) Fire engines and other implements used to put out fires, and the buildings or fire stations to the extent that they are exclusively used for the safekeeping of such equipment, and to hold fire company meetings, shall be exempt, provided that such properties are owned by either a city, town or nonprofit fire company.

(3) Property within the state which is owned and actually used by humane societies shall be exempt.

(4) The loan or rental of the property does not subject the property to tax if (a) the rents and donations received for the use of the portion of the property are reasonable and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented; and (b) the property would be exempt from tax if owned by the organization to which it is loaned or rented. (RCW 84.36.805) Maintenance and operating expenses means those items of rental expense as allowed and defined in generally accepted accounting principles.

(5) Programs provided under a personal service contract will not jeopardize the exemption if the following conditions are met:

(a) The contract is written to clearly reflect all receipts and expenses are to be administered by the exempt organization.

(b) The financial records of the exempt organization will identify all receipts and expenses of the programs.

(c) The program is compatible and consistent with the purposes of the exempt organization.

(d) A summary of all receipts and expenses of the program will be provided to the department upon request.

Programs provided under a personal service contract, whereby the contractor will reimburse the organization for expenses pertaining to the program will be viewed as a rental agreement between the exempt organization and

an individual or for profit user and will subject that portion of property to tax.

(6) The use of the property for fund-raising activities sponsored by the exempt organization does not subject the property to tax if the fund-raising activities are consistent with the purposes for which exemption is granted. The term "fund raising" means any revenue-raising activity limited to less than five days in length including but not limited to art auctions, use of the property by professional organizations for conferences, seminars, or other activities which enhance the reputation of the organization. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-280, filed 2/15/85; 81-21-009 (Order PT 81-13), § 458-16-280, filed 10/8/81; Order PT 77-2, § 458-16-280, filed 5/23/77; Order PT 76-2, § 458-16-280, filed 4/7/76. Formerly WAC 458-12-235.]

WAC 458-16-282 Musical, dance, artistic, dramatic and literary associations. The real and personal property owned by or leased to nonprofit organizations whose purpose is to produce and/or perform musical, dance, artistic, dramatic or literary works, for the benefit of the general public and not for profit. To be exempt the property must be used exclusively, except as provided for in RCW 84.36.805 and subsections (5) and (7) of this section, in accordance with the following rules:

(1) Must be organized and operated exclusively for the purpose of the exemption.

(2) Must receive a substantial portion of its support, exclusive of moneys received from admissions to its performances, from governmental entities or from direct or indirect contributions of money, real or personal property and/or services from the general public. Organizations relying on services donated by the general public to meet the substantial portion of its support, must maintain records identifying the individuals and the number of hours donated. Donated time will be valued under the federal minimum wage standards.

(3) Applications for leased property must include a copy of the lease agreement.

(4) The property meets all the conditions of RCW 84.36.800 through 84.36.865.

(5) The loan or rental of the property does not subject the property to tax if (a) the rents and donations received for the use of the portion of the property are reasonable and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented; and (b) the property would be exempt from tax if owned by the organization to which it is loaned or rented. (RCW 84.36.805) Maintenance and operating expenses means those items of rental expense as allowed and defined in generally accepted accounting principles.

(6) Programs provided under a personal service contract will not jeopardize the exemption if the following conditions are met:

(a) The contract is written to clearly reflect all receipts and expenses are to be administered by the exempt organization.

(b) The financial records of the exempt organization will identify all receipts and expenses of the programs.

(c) The program is compatible and consistent with the purposes of the exempt organization.

(d) A summary of all receipts and expenses of the program will be provided to the department upon request.

Programs provided under a personal service contract, whereby the contractor will reimburse the organization for expenses pertaining to the program will be viewed as a rental agreement between the exempt organization and an individual or for profit user and will subject that portion of property to tax.

(7) The use of the property for fund-raising activities sponsored by the exempt organization does not subject the property to tax if the fund-raising activities are consistent with the purposes for which exemption is granted. The term "fund raising" means any revenue-raising activity limited to less than five days in length including but not limited to art auctions, use of the property by professional organizations for conferences, seminars, or other activities which enhance the reputation of the organization. [Statutory Authority: RCW 84.36.865. 85-05-025 (Order PT 85-1), § 458-16-282, filed 2/15/85; 81-21-010 (Order PT 81-14), § 458-16-282, filed 10/8/81.]

does not exceed sixty for the preceding calendar year, no value shall be apportioned.

(3) Vessels engaged in fishing, tendering, harvesting, and/or processing seafood products, on the high seas or waters under the jurisdiction of other states shall have their value apportioned to this state based upon the number of days or fraction thereof that the vessel is within the limits of the state during the preceding calendar year: *Provided*, That if the total number of days the vessel is within the limits of the state does not exceed sixty for the preceding calendar year, no value shall be apportioned.

(4) Vessels engaged in intrastate commerce or fishing and seldom leave the limits of the state or leave the limits of the state while navigating the high seas in order to travel between ports of this state and do not acquire taxable situs elsewhere shall have their total value apportioned to this state.

(5) Vessels which are in this state solely for the purpose of undergoing repair or alteration shall not be subject to assessment.

(6) "Limits of the state" shall mean Washington state's normal boundaries abutting Canada, Oregon, and Idaho and three miles to the west of Washington's coast line. [Statutory Authority: RCW 84.08.070. 85-22-083 (Order PT 85-4), § 458-17-100, filed 11/6/85, effective 1/1/86.]

Chapter 458-17 WAC

ASSESSMENT AND TAXATION OF MOTOR VEHICLES, TRAVEL TRAILERS, CAMPER, MOTOR HOMES, AND WATERCRAFT

WAC

458-17-100 Ships and vessels--Apportionment of value.

WAC 458-17-100 Ships and vessels--Apportionment of value. Ships and vessels which are subject to assessment by the department of revenue under RCW 84.08.200 and do not meet the definition of a "steamboat company" under RCW 84.12.200(13) shall have their value apportioned to the state of Washington based upon the following rules:

(1) Vessels engaged exclusively in foreign commerce shall not have their value apportioned to this state if their presence within the limits of the state is solely for the purpose of taking on or discharging cargo, passengers, or supplies and the length of stay for such activity is reasonable. If the stay of a vessel is indefinite, or is maintained within the limits of the state to suit the convenience of the owner or is subjected to local use, the value shall be apportioned to this state based upon the number of days or fraction thereof that the vessel is within the limits of the state during the preceding calendar year.

(2) Vessels engaged exclusively in interstate commerce shall have their value apportioned to this state based upon the number of days or fraction thereof that the vessel is within the limits of the state during the preceding calendar year: *Provided*, That if the total number of days the vessel is within the limits of the state

Chapter 458-18 WAC

PROPERTY TAX--ABATEMENTS, CREDITS, DEFERRALS AND REFUNDS

WAC

- 458-18-010 Deferral of special assessments and/or property taxes--Definitions.
- 458-18-020 Deferral of special assessments and/or property taxes--Qualifications for deferral.
- 458-18-030 Deferral of special assessments and/or property taxes--Declarations to defer--Filing--Forms.
- 458-18-050 Deferral of special assessments and/or property taxes--Declarations to renew deferral--Filing--Forms.
- 458-18-060 Deferral of special assessments and/or property taxes--Limitations of deferral--Interest.
- 458-18-070 Deferral of special assessments and/or property taxes--Duties of the county assessor.
- 458-18-080 Deferral of special assessments and/or property taxes--Duties of the department of revenue--State treasurer.
- 458-18-100 Deferral of special assessments and/or property taxes--When payable--Collection--Partial payment.

WAC 458-18-010 Deferral of special assessments and/or property taxes--Definitions. (1) "Claimant" means a person who is receiving a property tax exemption under RCW 84.36.381 through 84.36.389 and who either elects or is required under RCW 84.64.030 or 84.64.050 to defer payment of the special assessments and/or real property taxes on his or her residence. If two individuals of a household seek to defer, they must determine between them as to who the claimant shall be.

(2) "Department" means the Washington state department of revenue.

(3) "Equity value" means the amount by which the true and fair value of a residence as shown on the county property tax rolls for the year the deferral is to be made exceeds the total amount of all liens, obligations and encumbrances against the property excluding the deferral liens.

(4) "Special assessment" means the charge or obligation imposed by a city, town, county or other municipal corporation upon property specially benefited by a local improvement as provided in chapters:

(a) 35.44 RCW—Local improvements—Assessments and reassessments (cities and towns)

(b) 36.88 RCW—County road improvement districts (counties)

(c) 36.94 RCW—Sewer, water and drainage systems (counties)

(d) 53.08 RCW—Powers (port districts)

(e) 54.16 RCW—Powers (public utility districts)

(f) 56.20 RCW—Utility local improvement districts (sewer districts)

(g) 57.16 RCW—Comprehensive plan—Local improvement districts (water districts)

(h) 86.09 RCW—Flood control districts—1937 Act (flood control)

(i) 87.03 RCW—Irrigation districts generally (irrigation) along with any others that may be relevant.

The term does not include the charge or obligation for services specially benefiting property not involving the construction of permanent improvements to real property, e.g., mosquito control, weed control, etc.

(5) "Real property taxes" means ad valorem property taxes levied on a residence in this state.

(6) "Fire and casualty insurance" means a policy with an insurer that is authorized to insure property in this state by the state insurance commission.

(7) "Lien" means any interest in property given to secure payment of a debt or performance of an obligation, and shall include a deed of trust. It shall include the total amount of assessments and/or property taxes deferred and the interest thereon. [Statutory Authority: RCW 84.38.180, 84-21-010 (Order PT 84-4), § 458-18-010, filed 10/5/84; 81-05-020 (Order PT 81-8), § 458-18-010, filed 2/11/81; Order PT 76-1, § 458-18-010, filed 4/7/76.]

WAC 458-18-020 Deferral of special assessments and/or property taxes—Qualifications for deferral. A person may defer payment of special assessments and/or real property taxes on his property that is receiving an exemption under RCW 84.36.381 through 84.36.389 on up to eighty percent of the amount of his equity value in said property if the following conditions are met:

(1) The claimant must have owned, at the time of filing, the residence on which the special assessment and/or real property taxes have been imposed. For purposes of this subsection a residence owned by a marital community or owned by cotenants shall be deemed to be owned by each spouse and cotenant. A claimant who has

only a share ownership in cooperative housing, a life estate, a lease for life or a revocable trust does not satisfy the ownership requirement.

(2) The claimant must have and keep in force fire and casualty insurance in sufficient amount to protect the interest of the state of Washington and shall designate the state as a loss payee upon said policy.

(3) In the case of special assessment deferral, the claimant must have opted for payment of such special assessments on the installment method if such method was available. [Statutory Authority: RCW 84.38.180, 84-21-010 (Order PT 84-4), § 458-18-020, filed 10/5/84; 81-05-020 (Order PT 81-8), § 458-18-020, filed 2/11/81; Order PT 76-1, § 458-18-020, filed 4/7/76.]

WAC 458-18-030 Deferral of special assessments and/or property taxes—Declarations to defer—Filing—Forms.

(1) Declarations to defer special assessments and/or real property taxes for any year shall be filed no later than thirty days before the tax or assessment is due, or thirty days after receiving notice under RCW 84.64.030 or 84.64.050 whichever is later. For good cause shown the department may waive this requirement. All declarations to defer shall be made and signed by the claimant. If the claimant is unable to make his or her own declaration, it may be made and signed by a duly authorized agent or by a guardian or other person charged with care of the person or property of such claimant.

(2) The declaration to defer shall be made solely upon forms prescribed by the department of revenue and supplied by the county assessor. Such forms shall contain the following:

(a) Name and address of the claimant.

(b) If the property described upon the assessment rolls by the assessor contains more than one acre, the claimant must supply a complete and accurate legal description that encompasses the residence and that does not contain more than one acre.

(c) An affirmation that the claimant meets the conditions of WAC 458-18-020 including, but not limited to the name, address, policy number, and amount of fire and casualty insurance carried on the residence.

(c) A list of all members of the claimants household.

(d) The claimant's equity in his residence including all liens, obligations and encumbrances against the property.

(e) Information concerning any special assessments to be deferred.

(f) The names of other parties with an interest in the residence to which the deferral applies.

(g) Signatures of other parties in interest designating the claimant.

(h) Signature of any mortgagee, contract purchase holder and/or beneficiary under a deed of trust.

(i) An affirmation that the claimant is aware of the lien of the deferred special assessments and/or real property taxes and when the lien becomes payable.

(j) A numbering system approved by the department.

(k) Any other pertinent information the department deems relevant. [Statutory Authority: RCW 84.38.180. 84-21-010 (Order PT 84-4), § 458-18-030, filed 10/5/84; 81-05-020 (Order PT 81-8), § 458-18-030, filed 2/11/81; Order PT 76-1, § 458-18-030, filed 4/7/76.]

WAC 458-18-050 Deferral of special assessments and/or property taxes--Declarations to renew deferral--Filing--Forms. (1) Declarations to defer assessments and/or real property taxes for all years following the first year shall be made by filing a "declaration to renew deferral" with the county assessor no later than thirty days before the tax or assessment is due. For good cause shown the department may waive this requirement. If the claimant is unable to make his or her renewal declaration, it may be made and signed by a duly authorized agent or by a guardian or other person charged with care of the person or property of such claimant.

(2) Such "declaration to renew deferral" will be made solely upon forms prescribed by the department and supplied by the county assessor. The "declaration to renew deferral" form shall include, but not be limited to, those requirements contained in WAC 458-18-030 (2)(a), (2)(b), (2)(d), (2)(e), (2)(i), (2)(j), and (2)(k). [Statutory Authority: RCW 84.38.180. 84-21-010 (Order PT 84-4), § 458-18-050, filed 10/5/84; 81-05-020 (Order PT 81-8), § 458-18-050, filed 2/11/81; Order PT 76-1, § 458-18-050, filed 4/7/76.]

WAC 458-18-060 Deferral of special assessments and/or property taxes--Limitations of deferral--Interest. No deferral shall be granted if the liens created by the deferrals of special assessments and/or real property taxes equal or exceed eighty percent of the claimant's equity value in said property. Equity value will be determined as of January 1 in the year the taxes are to be deferred.

The liens shall include:

(1) The total amount of special assessments and/or real property taxes deferred, plus

(2) Interest on the amount deferred at the rate of eight percent per year, from the time it could have been paid before delinquency until said lien is paid. [Statutory Authority: RCW 84.38.180. 84-21-010 (Order PT 84-4), § 458-18-060, filed 10/5/84; 81-21-008 (Order 81-12), § 458-18-060, filed 10/8/81; Order PT 76-1, § 458-18-060, filed 4/7/76.]

WAC 458-18-070 Deferral of special assessments and/or property taxes--Duties of the county assessor. The county assessor shall: (1) Determine each year if each claimant filing a "declaration to defer" and/or a "declaration to renew deferral" shall be granted a deferral. If the assessor determines the claimant is not eligible, he shall notify the claimant as soon as possible;

(2) In January of each year mail renewal declarations to each claimant who had received a deferral the previous year;

(3) Immediately transmit one copy of each approved declaration to the department;

(4) Transmit one copy of each approved declaration to the local improvement district which imposed the assessment that is to be deferred. Such district shall verify the figures concerning said assessment supplied by the claimant and notify the assessor of the correct figures if those supplied are inaccurate;

(5) Compute the dollar tax rates under the provisions of chapter 84.52 RCW as if the deferrals did not exist;

(6) As soon as possible notify the department of the amount of special assessments and/or real property taxes deferred for each claimant for that year. Such notice shall contain any corrections brought about by subsection (4) of this section;

(7) As soon as possible notify the county treasurer and the respective treasurers of the local improvement districts of which claimants and properties have qualified for deferral and the amount that will be paid by the state treasurer on behalf of the claimant;

(8) Notify the county treasurer and the department immediately upon occurrence of any condition set forth in WAC 458-12-100(1). [Statutory Authority: RCW 84.38.180. 84-21-010 (Order PT 84-4), § 458-18-070, filed 10/5/84; Order PT 76-1, § 458-18-070, filed 4/7/76.]

WAC 458-18-080 Deferral of special assessments and/or property taxes--Duties of the department of revenue--State treasurer. The department shall: (1) Notify the county assessor as soon as possible of any declaration to defer, where any factor appears to disqualify the claimant;

(2) Certify to the state treasurer the amount due the respective treasurers for any special assessments and/or real property taxes deferred for that year;

(3) File a notice of the deferral with the county recorder or auditor;

(4) Notify the department of licensing to show the state's lien on the certificate of ownership of a mobile home.

The department may audit any "declaration to defer" and/or "declaration to renew deferral" it deems necessary.

The state treasurer shall pay, before delinquency, to the county treasurers and the treasurers of the respective local improvement districts the amounts certified by the department of revenue. The amount paid shall be distributed to the districts which levied the taxes. [Statutory Authority: RCW 84.38.180. 84-21-010 (Order PT 84-4), § 458-18-080, filed 10/5/84; 81-05-020 (Order PT 81-8), § 458-18-080, filed 2/11/81; Order PT 76-1, § 458-18-080, filed 4/7/76.]

WAC 458-18-100 Deferral of special assessments and/or property taxes--When payable--Collection--Partial payment. (1) Any special assessments and/or real property taxes deferred shall become payable together with interest: (a) Upon the conveyance of property which has a deferred special assessment and/or real property tax lien upon it.

(b) Upon the death of the claimant except when the surviving spouse is qualified and elects to incur the lien

and continue the deferment by (i) filing an original "declaration to defer" within ninety days of the claimant's death and (ii) continuing to meet the qualifications of WAC 458-18-010 through 458-18-100.

When a surviving spouse elects to continue the deferment, the spouse then becomes the claimant and is fully subject to the conditions of WAC 458-18-010 through 458-18-100.

(c) Upon condemnation of property with a deferred special assessment and/or real property tax lien upon it by a public or private body exercising the power of eminent domain: *Provided*, That if the assessed value of the property not condemned exceeds the amount of the liens, including interest, the claimant may elect to have the liens set over to the property retained: *Provided further*, That the amount of the lien allowed to be set over shall not exceed 80% of the claimant's equity in the retained property.

(d) At such time as the claimant ceases to reside permanently in the residence upon which the deferral has been granted. If the cessation occurs between filing the declaration and the date the taxes are payable, the deferral shall not be allowed.

(e) Upon the failure of the claimant to have or keep in force fire and casualty insurance in sufficient amount to protect the interest of the state of Washington or failure to keep the state listed as a loss payee upon said policy. Subsection (1)(b) shall take precedence over subsection (1)(d).

(2) Once a deferral has been granted, the various conditions contained within WAC 458-18-010 through 458-18-100 may prohibit the claimant from qualifying for further deferrals, but any obligations resulting from deferrals previously granted will become due and payable only upon occurrence of the conditions set forth in subsection (1) of this section.

(3) Upon occurrence of any condition requiring the payment of any deferred special assessments and/or real property taxes, the county treasurer shall proceed to collect the same in the manner provided for in chapter 84.56 RCW. For purposes of collection of the deferred taxes and interest, provisions of chapters 84.56, 84.60, and 84.64 RCW shall be applicable. When these moneys are collected, they shall be credited to a special account in the county treasury and shall then be remitted to the state treasurer within thirty days from collection with remittance advice to the department of revenue. The state treasurer shall deposit the moneys in the state general fund.

(4) Any person may at any time pay a part or all of the deferred assessments and/or taxes including the interest, but such payment shall not affect the deferred tax status of the property. Any payment made shall be credited to the oldest deferred amount and shall be prorated between interest and the deferred assessments and/or taxes. [Statutory Authority: RCW 84.38.180, 84-21-010 (Order PT 84-4), § 458-18-100, filed 10/5/84; 81-05-020 (Order PT 81-8), § 458-18-100, filed 2/11/81; Order PT 76-1, § 458-18-100, filed 4/7/76.]

Chapter 458-20 WAC

EXCISE TAX RULES

WAC

458-20-114	Nonbusiness income—Bona fide initiation fees, dues, contributions, tuition fees and endowment funds.
458-20-155	Information and computer services.
458-20-169	Religious, charitable, benevolent, nonprofit service organizations, and sheltered workshops.
458-20-179	Public utility tax.
458-20-17901	Public utility tax—Energy conservation and cogeneration deductions.
458-20-183	Amusement and recreation activities and businesses.
458-20-189	Sales to and by the state of Washington, counties, cities, school districts and other municipal subdivisions.
458-20-207	Attorneys.
458-20-228	Returns, remittances, penalties, extensions, inventory tax credit applications, stay of collection.
458-20-24001	Sales and use tax deferral—Manufacturing and research/development facilities in distressed areas.
458-20-24002	Sales and use tax deferral—New manufacturing and research/development facilities.
458-20-244	Food products.
458-20-246	Sales to or through a direct seller's representative.
458-20-247	Trade-ins, selling price, sellers' tax measures.

WAC 458-20-114 Nonbusiness income—Bona fide initiation fees, dues, contributions, tuition fees and endowment funds. RCW 82.04.4282 provides for a business and occupation tax deduction for amounts derived from activities and charges of essentially a nonbusiness nature. Thus, outright gifts, donations, contributions, endowments, tuition, and initiation fees and dues which do not entitle the payor to receive any significant goods or services in return for the payment are not subject to business and occupation tax. The scope of this statutory deduction is limited to situations where no business or proprietary activity (including the rendering of goods or services) is engaged in which directly generates the income claimed for deduction.

Many for-profit or nonprofit entities may receive "amounts derived," as defined in this rule, which consist of mixture of tax deductible amounts (bona fide initiation fees and dues) and taxable amounts (payment for significant goods and services rendered). For purposes of distinguishing between these kinds of income, the law requires that tax exemption provisions must be strictly construed against the person claiming exemption. Also, RCW 82.32.070 requires the maintenance of suitable records as may be necessary to determine the amount of any tax due. The result of these legal requirements is that all persons must keep adequate records sufficient to establish their entitlement to any claimed tax exemption or deduction.

CONTRIBUTIONS, DONATIONS, AND ENDOWMENTS.

Only amounts which are received as outright gifts are entitled to deduction. Any amounts, however designated, which are received in return for any goods, services, or business benefits are subject to business and occupation tax under the appropriate classification depending upon the nature of the goods, services, or benefits provided.

Thus, for example, so-called "grants" which are received in return for the preparation of studies, white papers, reports, and the like do not constitute deductible contributions, donations, or endowments. RCW 82.04-.4297 and WAC 458-20-169 provide for a specific deduction for compensation from public entities for health or social welfare services.

BONA FIDE INITIATION FEES AND DUES.

The law does not contemplate that the deduction should be granted merely because the payments required to be made by members or customers are designated as "initiation fees" or "dues." The statutory deduction is not available for outright sales of tangible personal property or for providing facilities or services for a specific charge. Neither is it available ". . . if dues are in exchange for any significant amounts of goods or services rendered by the recipient thereof to members without any additional charge to the member, or if the dues are graduated upon the amount of goods or services rendered . . ." (RCW 82.04.4282). Thus, it is only those initiation fees and dues which are paid for the express privilege of belonging as a member of a club, organization, or society, which are deductible.

Also, the statute does not distinguish between the kinds of clubs, organizations, associations, or other entities which may be eligible for this deduction. They may be operated for profit or nonprofit. They may be owned by the members, incorporated, or operating as a partnership, joint venture, sole proprietorship, or cooperative group. They may be of a charitable, fraternal, social, political, benevolent, commercial, or other nature. However, none of these characteristics determines the entitlement to tax deduction. The availability of the deduction is determined solely by the nature of the activity or charge which generates the "amounts derived" as defined in this rule.

The deduction is limited to business and occupation tax. There is no provision under the law for any deduction from retail sales tax or use tax of amounts designated as initiation fees or dues. Consequently, any club or organization that collects dues or initiation fees from members who in turn receive tangible personal property or retail services as defined in RCW 82.04.050, or licenses to use real property as defined in RCW 82.04-.050, must collect and report retail sales tax on the value of such goods or services sold. (See WAC 458-20-183, Places of amusement or recreation, and WAC 458-20-166, Hotels, motels, boarding houses, resorts, summer camps, trailer camps, etc., for additional guidance relative to retail sales and retail services.)

DEFINITIONS:

The words and terms utilized in RCW 82.04.4282 are not given a statutory definition in the Revenue Act. Under the general rules of statutory construction, those words and terms are to be given their ordinary and common meaning. Hence, for purposes of RCW 82.04-.4282 and this rule the following definitions will apply:

"Amounts derived" means gross income from whatever source and however designated. It includes "gross

proceeds of sales" and "gross income of the business" as those terms are defined by RCW 82.04.070 and 82.04-.080, respectively. It shall also include income attributable to bona fide initiation fees and bona fide dues.

"Bona fide" shall have its common dictionary meaning, i.e., in good faith, authentic, genuine.

"Initiation fees" are those initial amounts which are paid solely to admit a person as a member to a club or organization. "Bona fide initiation fees" within the context of this rule shall include only those one-time amounts paid which genuinely represent the value of membership in a club or similar organization. It shall not include any amount paid for or attributable to the privilege of receiving any goods or services other than mere nominal membership.

"Dues" are those amounts paid solely for the privilege or right of retaining membership in a club or similar organization. "Bona fide dues" within the context of this rule shall include only those amounts periodically paid by members which genuinely entitle those persons to continued membership in the club or similar organization. It shall not include any amounts paid for goods or services rendered to the member by the club or similar organization.

"Significant amount" relates to the quantity or degree of goods or services rendered and made available to members by the organization. "Significant" is defined as having important meaning or the quality of being important.

"Goods or services rendered" shall include those amusement and recreation activities as defined in RCW 82.04.050, WAC 458-20-166, and 458-20-183. The term shall include the totality or aggregate of goods or services available to members. It is not determinative that some members actually receive more goods or actually enjoy more services than others so long as the totality of the goods or services offered are made available to members in general.

"Any additional charge" means a price or payment other than bona fide initiation fees or dues, paid by persons for particular goods and services received. The additional charge must be reasonable and any business and/or sales taxes must be paid upon such charges in order to qualify other income denominated as "dues" to be deductible. The reasonableness of any additional charge will be based on one of the following two criteria: (1) It must cover all costs reasonably related to furnishing the goods or services, or (2) it must compare with charges made for similar goods or services by other commercial businesses.

"Value of such goods or services" shall mean the market value of similar goods or services or computed value based on costs of production.

METHODS OF REPORTING:

Persons who receive any "amounts derived" from initiations fees and/or dues may report their tax liabilities and determine the amount of tax reportable under different classifications (Retailing or Service) by use of alternative methods, based upon:

1. A standard deduction of 20 percent of gross income (This method is available for use only by not-for-profit organizations); or,
2. Actual records of facilities usage; or,
3. Cost of production of facilities and benefits.

All amounts derived from initiation fees and dues must be reported as gross income which then must be apportioned between taxable and deductible income. The alternative apportionment methods are mutually exclusive. Thus, if a qualifying organization elects to use the standard deduction, neither of the other methods may be used. Organizations which cannot qualify to take the standard deduction, or which elect not to do so, may apportion their income based upon such actual records of facilities usage as are maintained. This method is accomplished by:

- a) The allocation of a reasonable charge for the specific goods or services rendered: *Provided*, That in no case shall any allocation of any separate charge for any goods or services be deemed "reasonable" if the aggregate of such charges is insufficient to cover the costs of providing such goods or services; or,

- b) The average comparable charges for such goods or services made by other commercial businesses.

ACTUAL RECORDS OF FACILITIES USAGE METHOD.

The actual records of facilities usage method must reflect the nature of the goods or services and the frequency of use by the membership, either from an actual tally of times used or a periodic study of the average membership use of facilities. Actual usage reporting may also be based upon a graduated or sliding fees and dues structure. For example, an organization may charge different initiation fees or dues rates for a social membership than for a playing membership. The difference between such rates is attributable to the value of the goods or services rendered. It constitutes the taxable portion of the "amounts derived" allocable to that particular activity. Because of the broad diversification of methods by which "amounts derived" may be assessed or charged to members, the actual records of usage method of reporting may vary from organization to organization. The following are some examples of this reporting method for several different kinds of facilities.

Facility	Period	Source	Value Base	Usage	Value	Taxable Income
Golf	3 mos	Reservations	Mkt Comparison	5,000 rounds	x \$7.50 per Round	\$37,500
Camping	6 mos	Vacancy Study	Mkt Comparison	4,500 stays	x \$12.50 per Stay	\$56,250
Racquetball	9 mos	Reservations	Charge to Nonmember	1,250 hours	x \$4.00 per Hour	\$5,000
Swimming	12 mos	Member Survey	Actual Charges	3,650 uses	x \$1.00 per Use	\$3,650
Tennis	1 mo	Graduated Fee Structure	Graduated Fee Structure	200 playing members	x \$50.00 per Member	\$10,000

*Figures and dollar amounts shown are hypothetical.

Organizations which provide more than one kind of "goods or services" as defined in this rule, may provide such actual records for each separate kind of goods or services rendered. Based upon this method the total of apportioned "taxable" income may be subtracted from total gross income to derive the amount of gross income which is entitled to deduction as "bona fide initiation fees and dues" under RCW 82.04.4282.

COST OF PRODUCTION METHOD.

This alternative apportionment method is available only for persons who do not take the standard deduction and when, it is impossible or unfeasible to maintain actual usage records. Under such circumstances apportionment of income may be done based upon the cost of

production of goods or services rendered. Persons using this method are advised to seek the department's review of the cost accounting methods applied, in order to avoid possible tax deficiency assessment if records are audited. In such cases the cost of production shall include all items of expense attributable to the particular facility (goods or services) made available to members, including direct and indirect overhead costs.

Direct overhead costs include all items of expense immediately associated with the specific goods or services for which the costs of production method is used, e.g., the salary of a swimming pool lifeguard or a golf club's greenskeeper.

Indirect overhead costs include a pro rata share of total operating costs, including executive and employee

salaries as well as a pro rata share of administrative expense and the cost of depreciable capital assets.

No portion of assets which have been fully depreciated will be included in computing overhead costs, nor will there be included any costs attributable to membership recruitment and advertising, or providing members with the indicia of membership (membership cards, certificates, contracts of rights, etc.).

The cost of production method is performed by multiplying gross income (all "amounts derived") by a fraction, the numerator of which is the cost of providing any specific goods or service, and the denominator of which is the organization's total operating costs. The formula looks like this:

$$\frac{\text{Direct and Indirect Costs of Specific Goods or Service}}{\text{Total Business Costs}} \times \text{Gross Income}$$

The result is the portion of "amounts derived" which is allocable to the taxable facility (goods or services rendered.) The balance of gross amounts derived is deductible as bona fide initiation fees or dues. If more than one kind of facility (goods or services) is made available to members, this formula must be applied for each in order to determine the total of taxable and deductible amounts and to determine the amount of taxable income to report as either retailing taxable or service taxable.

Under very unique circumstances and only upon advance written request and approval, the department will consider variations of the foregoing accounting methods as well as additional factors shown to be unique to certain kinds of organizations.

Unless income accounting and reporting are accomplished by one or a combination of methods outlined in this rule, or under a unique reporting method authorized in advance by the department, it will be presumed that all "amounts derived" by any person who provides "goods or services" as defined herein, constitute taxable, nondeductible amounts.

TAX CLASSIFICATIONS.

Persons who derive income from initiation fees and dues may find that they have incurred business and occupation tax liability under both the retailing and service and other activities classifications. For example, an organization may furnish golf as well as sauna bath facilities to its members in return for payment of dues. The former is a retailing taxable activity while the latter is taxable under the service business tax. These taxes are at different rates. Once the income has been apportioned between taxable and deductible amounts, the parts of taxable income attributable to either retailing activities or service activities must be reported on the excise tax return under the appropriate classification and under the prevailing tax rates. In addition, state and local retail sales taxes measured by the retailing portions must be separately collected from dues paying members, reported, and remitted with the same excise tax return.

(See WAC 458-20-183, 458-20-166, and RCW 82.04-.050 for further guidance in distinguishing between retailing and service activities for excise tax purposes.)

NONPROFIT YOUTH ORGANIZATIONS.

Nonprofit youth organizations which, as such, are exempt from property tax under RCW 84.36.030 may deduct fees or dues received from members even though the members are entitled to use the organization's facilities, including camping and recreational facilities, in return for such payments. (See RCW 82.04.4271.)

TUITION FEES.

The term "tuition fees" refers to fees charged by educational institutions, and, in addition to instruction fees, includes library, laboratory, health and other special fees and amounts charged for room and board when the property or service for which such charges are made is furnished exclusively to the students or faculty of such institutions.

"Educational institutions" which may deduct "tuition fees" are those which have been created or generally accredited as such by the state or defined as a degree granting institution under RCW 28B.05.030(1) *and accredited by an accrediting association recognized by the United States Secretary of Education, and which offer to students an educational program of a general academic nature and those institutions which are not operated for profit and which are privately endowed under a deed of trust to offer instruction in trade, industry and agriculture, but not including specialty schools, business colleges, other trade schools or similar institutions. * "Degree granting institution" shall mean an educational institution, which offers educational credentials, instruction, or services prerequisite to or indicative of an academic or professional degree or certificate beyond the secondary level.

A business college, dancing school, music school or specialty school is not an "educational institution" within the meaning of that term as defined above. Tuition fees collected by such institutions are taxable under the service and other business activities classification of the business and occupation tax.

The right to deduct bona fide initiation fees, dues, contributions, donations, tuition fees and endowment funds does not exempt any person, association or society from tax liability upon selling tangible personal property or upon providing facilities or services for which a special charge is made to members or others. However, agencies or institutions of the state of Washington, such as the University of Washington and community colleges are exempt from payment of the business and occupation tax.

Revised March 27, 1984. [Statutory Authority: RCW 82.32.300. 86-02-039 (Order ET 85-8), § 458-20-114, filed 12/31/85; 84-08-012 (Order 84-1), § 458-20-114, filed 3/27/84; Order ET 70-3, § 458-20-114 (Rule 114), filed 5/29/70, effective 7/1/70.]

WAC 458-20-155 Information and computer services. Persons rendering information or computer services and persons who manufacture, develop, process, or sell information or computer programs are subject to business and occupation taxes and retail sales or use taxes as explained in this rule.

DEFINITIONS

As used herein:

The term "information services" means every business activity, process, or function by which a person transfers, transmits, or conveys data, facts, knowledge, procedures, and the like to any user of such information through any tangible or intangible medium. The term does not include transfers of tangible personal property such as computer hardware or standard prewritten software programs. Neither does the term include telephone service defined under RCW 82.04.065 and WAC 458-20-245.

The term "computer services" means every method of providing information services through the use of computer hardware and/or software.

*The term "computer system" means a functional unit, consisting of one or more computers and associated software, that uses common storage for all or part of the data necessary for execution of the program; executes user-written or user-designated programs; performs user-designated data manipulation; including arithmetic operations and logic operations; and that can execute programs that modify themselves during their execution.

*The term "hardware" means physical equipment used in data processing, as opposed to programs, procedures, rules, and associated documentation.

*The term "software" means programs, procedures, rules, and any associated documentation pertaining to the operation of a computer system.

The term "custom program" means software which is developed and produced by a provider exclusively for a specific user, and which is of an original, one-of-a-kind nature.

The term "standard, prewritten program," sometimes referred to as "canned" or "off-the-shelf" software, means software which is not originally developed and produced for the user.

The term "provider" means the person who makes available information and computer services to a user.

The term "user" means a person for whom information and/or computer services are provided as a consumer.

DISTINCTION BETWEEN SALES AND SERVICES

Liability for sales tax or use tax depends upon whether the subject of the sale is a product or a service. If information services, computer services or data processing services are performed, such that the only tangible personal property in the transaction is the paper or medium on which the information is printed or carried, the activity constitutes the rendering of professional services, similar to those rendered by a public accountant, architect, lawyer, etc., and the retail sales tax or use tax is not applicable to such charges. This includes the sales of software in connection with custom programs written

to meet a particular customer's specific needs. The programs are considered to be the tangible evidence of a professional service rendered to a client and not subject to retail sales tax or use tax.

If, on the other hand, the sale, lease, or licensing of the computer program is a sale or lease of a product, even though produced through a computer system or process, it is taxable as a retail sale. Standard, prewritten software programs do not constitute professional services rendered to meet the particular needs of specific customers, but rather, are essentially sales of articles of tangible personal property. Articles of this type are no different from a usual inventory of tangible personal property held for sale or lease and, irrespective of any incidental modifications to the program medium or its environment (e.g., adaptation to computer room configuration) to meet a particular customer's needs, the sale or lease of such standard software is a sale at retail subject to retail sales tax or use tax.

BUSINESS AND OCCUPATION TAX

The terms "sale" (RCW 82.04.040) and "retail sale" (RCW 82.04.050) include any transfer of possession of tangible personal property for a consideration. This includes transfers of computer hardware and standard, prewritten software for a charge, regardless that outright ownership or title may not pass to the user, and regardless of any express or implied restrictions upon the user.

RETAILING: All sales, leases, rentals, and licenses to use tangible personal property, including computer systems and all hardware and standard, prewritten software, to users, are subject to the retailing classification of business and occupation tax measured by the gross proceeds of sales derived therefrom. (See RCW 82.04.070.)

WHOLESALE: When such transfers of tangible personal property as described in the previous paragraph, are for resale by the customer or client in the regular course of business, without intervening use by such persons, they are subject to wholesaling business and occupation tax measured by gross proceeds of sales.

SERVICE: Persons who charge for providing information services or computer services (other than retailing or wholesaling as defined above) are subject to the service and other activities classification of business and occupation tax measured by the gross income of such business. This includes charges for custom program development, charges for on-line information and data, and charges in the nature of royalties for the reproduction, use, and reuse of patented systems and technological components of hardware or software, whether tangible or intangible.

The tax classifications and distinctions explained above will prevail regardless of how the federal government or other tax jurisdictions may classify these transactions for other tax purposes.

RETAIL SALES TAX

The retail sales tax applies to all amounts taxable under the retailing classification of business and occupation tax explained earlier. Providers must collect the sales tax

from users of computer systems, hardware, equipment, and/or standard, prewritten software and materials delivered in this state. This includes outright sales, leases, rentals, licenses to use, and any other transfer of possession and the right to use such things, however physically packaged, represented, or conveyed.

The retail sales tax also applies to all charges to users for the repair, maintenance, alteration, or modification of hardware, equipment, and/or standard, prewritten software or materials.

USE TAX

The use tax applies upon the full value of computer systems, hardware, equipment, standard, prewritten software, and materials which are used by consumers in this state and upon which the retail sales tax has not been paid. The person liable for the tax is the user. However, see WAC 458-20-193B for circumstances under which the seller may be required to collect and report the use tax.

Also, the use tax applies upon the full value of such things which are made available to a user without a charge by a provider in the course of rendering any information or computer service. The person liable for the tax is the provider, as a bailor, or the user, as a bailee. See WAC 458-20-178.

INTERSTATE SALES AND SERVICES

Persons who produce computer systems, hardware, equipment, standard, prewritten software, and materials in this state and who sell, lease, license, or otherwise transfer such things to buyers outside this state and deliver such things outside this state are not subject to either retailing or wholesaling business tax. Such persons are subject to the Manufacturing classification of business and occupation tax. See WAC 458-20-136. The measure of tax is the full value of the product manufactured. See WAC 458-20-112. Retail sales tax does not apply to such interstate deliveries. However, see WAC 458-20-193A for the criteria for perfecting interstate tax exempt sales. Persons who do not themselves produce such things in this state but merely sell such things and deliver outside this state are exempt of business tax and retail sales tax.

Providers of information or computer services in interstate commerce who are taxable under the service business tax classification are governed by the provisions of WAC 458-20-194 (doing business inside and outside the state).

*Definitions marked with an asterisk are taken from *Vocabulary for Data Processing, Telecommunications, and Office Systems*, IBM, seventh edition (July, 1981). [Statutory Authority: RCW 82.32.300. 85-20-012 (Order ET 85-4), § 458-20-155, filed 9/20/85; Order ET 70-3, § 458-20-155 (Rule 155), filed 5/29/70, effective 7/1/70.]

WAC 458-20-169 Religious, charitable, benevolent, nonprofit service organizations, and sheltered workshops. Religious, charitable, benevolent, and nonprofit service organizations are subject to the excise taxes imposed by

the Revenue Act of 1935 with the following exceptions only:

Religious, charitable, benevolent, and nonprofit service organizations serving meals for fund raising purposes are not engaged in the business of making sales at retail and are not required to collect the retail sales tax upon such sales, nor pay the business and occupation tax, unless such meals are served more frequently than once every two weeks. Religious, charitable, benevolent, and nonprofit service organizations conducting bazaars or rummage sales who are not generally engaged in the business of making sales at retail are not required to collect the retail sales tax nor pay the business and occupation tax where such bazaars or rummage sales are conducted no more than twice per year and do not extend over a period of more than two days each, if the gross receipts from each such bazaar or rummage sale is \$1,000 or less. Similarly, when such organizations make retail sales in the course of annual fund raising drives, or make such sales through concessions operated intermittently and for short periods of time for the support of various benevolent, athletic, recreational, or cultural programs, the retail sales tax and business and occupation tax need not be accounted for.

Neither the retail sales tax nor the use tax applies to prepared meals provided to senior citizens, disabled persons, or low-income persons by not-for-profit organizations organized under chapter 24.03 or 24.12 RCW.

However, in every case where such organizations conduct business activities other than as outlined above, the retail sales tax and business and occupation tax are fully applicable to the gross sales made and merchandise may be purchased for resale without paying the retail sales tax by furnishing vendors with resale certificates as prescribed in published WAC 458-20-102.

SHELTERED WORKSHOPS. The gross income received by nonprofit organizations from the operation of "sheltered workshops" is exempt from the business and occupation tax. "Sheltered workshops" is defined by the law to mean "rehabilitation facilities, or that part of rehabilitation facilities, where any manufacture or handiwork is carried on and which is operated for the primary purpose of (1) providing gainful employment or rehabilitation services to the handicapped as an interim step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market or during such time as employment opportunities for them in the competitive labor market do not exist; or (2) providing evaluation and work adjustment services for handicapped individuals."

HEALTH OR SOCIAL WELFARE SERVICES. In computing business tax there may be deducted amounts received from the United States or any instrumentally thereof or from the state of Washington or any municipal corporation or political subdivision thereof as compensation for, or to support, health or social welfare services rendered by a health or social welfare organization or by a municipal corporation or political subdivision.

The term "health or social welfare organization" means an organization which renders health or social welfare services as defined below, which is a not-for-

profit corporation under chapter 24.03 RCW and which is managed by a governing board of not less than eight individuals none of whom is a paid employee or the organization or which is a corporation sole under chapter 24.12 RCW. In addition a corporation in order to be exempt under RCW 82.04.4297 shall satisfy the following conditions:

(a) No part of its income may be paid directly or indirectly to its members, stockholders, officers, directors, or trustees except in the form of services rendered by the corporation in accordance with its purposes and bylaws;

(b) Salary or compensation paid to its officers and executives must be only for actual services rendered, and at levels comparable to the salary or compensation of like positions within the public service of the state;

(c) Assets of the corporation must be irrevocably dedicated to the activities for which the exemption is granted and, on the liquidation, dissolution, or abandonment by the corporation, may not inure directly or indirectly to the benefit of any member or individual except a nonprofit organization, association, or corporation which also would be entitled to the exemption;

(d) The corporation must be duly licensed or certified where licensing or certification is required by law or regulation;

(e) The amounts received qualifying for exemption must be used for the activities for which the exemption is granted;

(f) Services must be available regardless of race, color, national origin, or ancestry; and

(g) The director of revenue shall have access to its books in order to determine whether the corporation is entitled to this exemption.

The term "health or social welfare services" includes and is limited to:

(a) Mental health, drug, or alcoholism counseling or treatment;

(b) Family counseling;

(c) Health care services;

(d) Therapeutic, diagnostic, rehabilitative, or restorative services for the care of the sick, aged, or physically, developmentally, or emotionally-disabled individuals;

(e) Activities which are for the purpose of preventing or ameliorating juvenile delinquency or child abuse, including recreational activities for those purposes;

(f) Care of orphans or foster children;

(g) Day care of children;

(h) Employment development, training, and placement; and

(i) Legal services to the indigent. [Statutory Authority: RCW 82.32.300. 86-02-039 (Order ET 85-8), § 458-20-169, filed 12/31/85; 83-07-033 (Order ET 83-16), § 458-20-169, filed 3/15/83. Statutory Authority: RCW 82.01.060(2) and 82.32.300. 78-07-045 (Order ET 78-4), § 458-20-169, filed 6/27/78; Order ET 70-3, § 458-20-169 (Rule 169), filed 5/29/70, effective 7/1/70.]

WAC 458-20-179 Public utility tax. Persons engaged in certain public service businesses are taxable under the public utility tax, and are exempt from tax

under the business and occupation tax with respect to such businesses. However, many persons taxable under the public utility tax are also engaged in some other business which is taxable under the business and occupation tax. For example, a light and power company engaged in operating a plant or system for distribution of electrical energy for sale, may also be engaged in selling at retail various electrical appliances. Such a company would be taxable under the public utility tax with respect to its last distribution of electric energy, and also taxable under the business and occupation tax with respect to its sale of electrical appliances.

Persons who are taxable under the public utility tax, which is applied to gross income, are those engaged in the following businesses:

Railroad, express, railroad car, water distribution, sewerage collection, refuse collection, light and power, telegraph, gas distribution, urban transportation and common carrier vessels under 65 feet in length, motor transportation, tugboat businesses, and all public service businesses other than those heretofore mentioned.

The rates of tax for each business activity are imposed under RCW 82.16.020 and set forth on appropriate lines of the combined excise tax return forms.

The terms "sewerage collection" and "refuse collection" business include all activities engaged in relating to the collection, transfer, treatment, and ultimate disposition of sewage and refuse, including all operations incidental thereto. These terms are broadly construed to include the operations of all persons who render direct and/or indirect services in the process of gathering and disposing of sewage and/or refuse, whether such persons are acting as prime contractors, subcontractors, or independent service providers.

The term "sewerage" means waste material deposited into and carried off by sewers and sewer drains. The term "sewerage collection" does not include the activity of pumping or cleaning septic tanks or renting, removing, and/or cleaning portable toilets.

The term "refuse" means garbage, trash, rubbish, or other materials discarded as worthless. The term "refuse collection" does not include the activity of collecting recyclable materials or salvaging other materials which contain valuable, recoverable ingredients, e.g., battery cores, used clothing, etc. Nor does this term include the removal, disposal, or treatment of hazardous or toxic waste, e.g. cleaning up oil or chemical spills, nuclear waste management, etc.

The term "public service businesses" includes any of the businesses defined in RCW 82.16.010 (1), (2), (3), (4), (5), (6), (7), (8), (9), (10) and (12) or any business subject to control by the state, or having the powers of eminent domain and the duties incident thereto, or any business declared by the legislature to be of a public service nature, irrespective of whether eminent domain powers are had or state control is exercised. It includes, among others, without limiting the scope thereof: Airplane transportation, boom, dock, ferry, log patrol, pipe line, warehouse, toll bridge, toll logging road, water transportation and wharf businesses.

The term "subject to control by the state" means control by the utilities and transportation commission or any other state department required by law to exercise control of business of a public service nature as to rates charged or services rendered. However, businesses may be taxed under the public utility tax as public service businesses whether or not they are or have been regulated by the state.

The term "gross income" means "the value proceeding or accruing from the performance of the particular public service or transportation businesses involved, including operations incidental thereto, but without any deduction on account of the cost of the commodity furnished or sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses." The term "gross income" of a light and power business means those amounts or value accruing to a taxpayer from the "last distribution" of electrical energy which is a taxable event within this state. RCW 82.16.010(13).

LIGHT AND POWER BUSINESS - SPECIAL PROVISIONS. RCW 82.16.010(5) defines "light and power business" to mean the business of operating a plant or system for the generation, production, or distribution of electrical energy for hire or sale. It is the intent of the law that, except as provided below, all electrical energy generated, or produced, or distributed within this state shall be subject to the uniform tax rate for light and power business, but only at the time of its "last distribution" within this state.

The term "last distribution" means the final transmission or transfer of electrical energy before it is consumed in this state or before it is transmitted or transferred for sale to any point outside of this state. Thus, the taxable last distribution of electrical energy consumed within this state is the transmission or transfer of such energy to the consumer. The taxable last distribution of electrical energy for sale outside of this state is the transmission or transfer of such energy to the transmission system from which it will be directly further transmitted or transferred to points outside this state whether under any wheeling arrangement or through the distributor's own transmission system or the transmission system of any out-of-state person. When a light and power business within this state delivers electric energy to an entity outside of this state in consideration of such entity's agreement to deliver electric energy to such business for consumption within this state, the taxable last distribution of such electrical energy is the transmission or transfer of energy to such business' consumers in this state.

An "exchange" of electrical energy or the rights thereto is not the last distribution of such energy. An exchange is a transaction involving a delivery or transfer of energy or the rights thereto by one party to another for which the second party agrees, subject to the terms and conditions of the agreement, to deliver electrical energy at the same or another time. Examples of nontaxable exchange transactions include, but are not limited to, the following:

(1) The residential exchange of electric power entered into between a light and power business and the administrator of the Bonneville Power Administration pursuant to the Pacific Northwest Electric Power Planning and Conservation Act, P.L. 96-501, Sec. 5(c), 16 U.S.C. 839(c) (Supp. 1982);

(2) The exchange of electric power for electric power between one light and power business and another light and power business;

(3) The transmission or transfer of electric power by one light and power business to another light and power business pursuant to the agreement for coordination of operations among power systems of the Pacific Northwest executed as of September 15, 1964;

(4) The Bonneville Power Administration's acquisition of electric power for resale to its Washington customers in the light and power business.

Any consideration received in addition to or in excess of exchange power constitutes taxable consideration.

The taxpayer liable for the payment of public utility tax under the light and power business classification is the "person" (as defined by RCW 82.04.030) who last distributes electrical energy within this state as explained above. Electrical energy generated or transmitted by the United States Army Corps of Engineers, United States Bureau of Reclamation, or the Bonneville Power Administration is not subject to this tax unless and until it is transferred by such federal entity to another person engaged in the light and power business within this state and then only upon the last distribution of such energy by such light and power business.

For purposes of measuring the public utility tax liability, the "amount or value derived from the last distribution of electrical energy" (RCW 82.16.010(13) definition of "gross income") is the total consideration in terms of money or other value, however designated, received by or accruing to the taxpayer: *Provided*, That the tax measure is the cost of production but not to exceed the fair market value of the electrical energy at the time it is generated in this state for any of the following: (a) For electrical energy generated in this state and transmitted or transferred by the person who generated the same to points outside this state without prior sale; and (b) for electrical energy sold pursuant to an agreement which requires the purchaser to pay certain costs of the generating facility without regard to the amount of electrical energy produced by such facility.

In distinguishing gross income taxable under the public utility tax from gross income taxable under the business and occupation tax, the department of revenue will be guided by the uniform system of accounts established for the specific type of utility concerned. However, because of differences in the uniform systems of accounts established for various types of utility businesses, such guides will not be deemed controlling for the purposes of classifying revenue under the Revenue Act.

VOLUME EXEMPTION. Persons subject to the public utility tax are exempt from the payment of this tax for any reporting period in which taxable income reported under the combined total of all public utility tax classifications does not equal or exceed the minimum taxable

amount for the reporting periods assigned to such persons according to the following schedule:

Monthly reporting basis	\$500 per month
Quarterly reporting basis	\$1500 per quarter
Annual reporting basis	\$6000 per annum

DEDUCTIONS. Amounts derived from the following sources do not constitute taxable income in computing tax under the public utility tax:

(1) Amounts derived by municipally owned or operated public services businesses directly from taxes levied for the support thereof, but not including service charges which are spread on the property tax rolls and collected as taxes.

(2) Amounts derived by persons engaged in the water distribution, or gas distribution business, from the sale of commodities to persons in the same public service business for resale as such within this state.

(3) Amounts actually paid by a taxpayer to another person taxable under chapter 82.16 RCW as the latter's portion of the consideration due for services jointly furnished by both. This includes the amount paid to a ferry company for the transportation of a vehicle and its contents (but not amounts paid to state owned or operated ferries) when such vehicle is carrying freight or passengers for hire and is being operated by a person engaged in the business of urban transportation or motor transportation. It does not include amounts paid for the privilege of moving such vehicles over toll bridges. Also, for purposes of this deduction, all services rendered in connection with the collection, transfer, treatment, and disposal of sewage or refuse are deemed to be jointly rendered by service providers. (The effect of this deduction is to prevent the pyramiding or compounding of the public utility tax.)

(4) Amounts derived from the distribution of water through an irrigation system, solely for irrigation purposes.

(5) Amounts derived from the transportation of commodities from points of origin in this state to final destination outside this state, or from points of origin outside this state to final destination in this state with respect to which the carrier grants to the shipper the privilege of stopping the shipment in transit at some point in this state for the purpose of storing, manufacturing, milling, or other processing, and thereafter forwards the same commodity, or its equivalent, in the same or converted form, under a through freight rate from point of origin to final destination; and amounts derived from the transportation of commodities from points of origin in the state to an export elevator, wharf, dock or shipside on tidewater or navigable tributaries thereto from which such commodities are forwarded, without intervening transportation, by vessel, in their original form, to interstate or foreign destination: *Provided*, That no deduction will be allowed when the point of origin and the point of delivery to such export elevator, wharf, dock, or shipside are located within the corporate limits of the same city or town.

(6) Amounts or value paid or contributed to any county, city, town, political subdivision, or municipal or

quasi municipal corporation of the state of Washington representing payments of special assessments or installments thereof and interests and penalties thereon, charges in lieu of assessments, or any other charges, payments or contributions representing a share of the cost of capital facilities constructed or to be constructed or for the retirement of obligations and payment of interest thereon issued for capital purposes. The business and occupation tax is likewise inapplicable to such amounts. Service charges shall not be included in this exemption even though used wholly or in part for capital purposes.

(7) Amounts derived from the distribution of water by a nonprofit water association which are used for capital improvements by that association.

(8) Amounts received by cities, counties, towns, or municipal corporations as payment of a share of the cost of capital facilities, but excluding charges for utility services which may be used for capital purposes.

(9) Amounts received for providing commuter share riding or ride sharing for the elderly and the handicapped in accordance with RCW 46.74.010.

(10) Amounts expended to improve consumers' efficiency of energy end use or to otherwise reduce the use of electrical energy or gas by the consumer. (For details see WAC 458-20-17901.)

(11) Amounts equal to the cost of production at the plant for consumption in this state of:

(a) Electrical energy produced from cogeneration as defined in RCW 82.35.020; and

(b) Electrical energy or gas produced from renewable energy resources (e.g., solar, wind, hydro, geothermal, wood, wastes, and end-use waste heat. (For details see WAC 458-20-17901.)

Income derived from any of the foregoing sources is to be included within the reported gross income, and the applicable deductions may be taken in computing tax liability.

Contributions in aid of construction not falling within item "6" above are subject to public utility tax, except that amounts received for line extensions, connection fees, and other charges for services rendered prior to the receipt of utility services by the customer against whom the charges are made are subject to business and occupation tax under the service and other activities classification rather than the public utility tax.

In addition to the foregoing deductions there also may be deducted from the reported gross income (if included therein), the following:

(a) The amount of cash discount actually taken by the purchaser or customer.

(b) The amount of credit losses actually sustained.

(c) Amounts received from insurance companies in payment of losses.

(d) Amounts received from individuals and others in payment of damages caused by them to the utility's plant or equipment.

(For specific rules pertaining to the classifications of "urban transportation" and "motor transportation," see WAC 458-20-180, and of "warehouses," see WAC 458-20-182.) [Statutory Authority: RCW 82.32.300.

85-22-041 (Order 85-6), § 458-20-179, filed 11/1/85; 83-01-059 (Order ET 82-13), § 458-20-179, filed 12/15/82; Order ET 71-1, § 458-20-179, filed 7/22/71; Order ET 70-3, § 458-20-179 (Rule 179), filed 5/29/70, effective 7/1/70.]

WAC 458-20-17901 Public utility tax--Energy conservation and cogeneration deductions. In chapter 149, Laws of 1980 (RCW 80.28.024, 80.28.025, and 82.16.055), the legislature finds and declares that the potential for meeting future energy needs through conservation measures, including energy conservation loans, energy audits, and the use of renewable resources, such as solar energy, wind energy, wood, wood waste, municipal waste, agricultural products and wastes, hydroelectric energy, geothermal energy, and end-use waste heat, may not be realized without incentives to public and private utilities.

The legislature has implemented its intent by adding a new section to chapter 82.16 RCW, codified as RCW 82.16.055, for deductions relating to energy conservation or production from renewable resources, as follows:

(1) In computing tax under this chapter there shall be deducted from the gross income:

(a) An amount equal to the cost of production at the plant for consumption within the state of Washington of:

(i) Electrical energy produced or generated from cogeneration as defined in RCW 82.35.020; and

(ii) Electrical energy or gas produced or generated from renewable energy resources such as solar energy, wind energy, hydroelectric energy, geothermal energy, wood, wood wastes, municipal wastes, agricultural products and wastes, and end-use waste heat; and

(b) Those amounts expended to improve consumers' efficiency of energy end-use or to otherwise reduce the use of electrical energy or gas by the consumer.

(2) This section applies only to new facilities for the production or generation of energy from cogeneration or renewable energy resources or measures to improve the efficiency of energy end-use on which construction or installation is begun after June 12, 1980, and before January 1, 1990.

(3) Deductions under subsection (1)(a) of this section shall be allowed for a period not to exceed thirty years after the project is placed in operation.

(4) Measures or projects encouraged under this section shall at the time they are placed in service be reasonably expected to save, produce, or generate energy at a total incremental system cost per unit of energy delivered to end-use which is less than or equal to the incremental system cost per unit of energy delivered to end-use from similarly available conventional energy resources which utilize nuclear energy or fossil fuels and which the gas or electric utility could acquire to meet energy demand in the same time period.

(5) The department of revenue, after consultation with the utilities and transportation commission in the case of investor-owned utilities, and the governing bodies of locally regulated utilities, shall determine the eligibility of individual projects and measures for deductions under this section.

The department of revenue has complied with the consultation requirements of RCW 82.16.055(5). The provisions of subsection (1)(a)(i) through (ii) of this section, deal with new facilities designed and intended for the production of energy. The department will rule upon eligibility of such facilities and the attendant cost of energy production for purposes of determining deductibility from the public utility tax upon an individual project basis using the cost figures reported on the appropriate Federal Energy Regulatory Commission (FERC) schedules that are required to be filed by public and private electric utilities and by private gas utilities. The allowable deductions consist of production expenses, eligible fuel costs and book depreciation of capital costs. Eligible fuel costs are all fuels if used for cogeneration or nonfossil fuel costs if not a cogeneration facility. Plans for the construction of such facilities and pertinent details, including energy production and production costs projections relative to the planned facility or construction details and energy production costs for facilities already in service must be submitted to the department for determination of eligibility for tax deductions.

Subsection (1)(b) and (4) of this section are applicable to projects conducted by utilities which are designed and projected to result in a reduction in the amount of electrical energy or gas used by the consumer.

Pursuant to subsection (5) of this section, the department of revenue has determined the eligibility of individual measures to improve consumers' efficiency of energy end-use or otherwise reduce the use of electrical energy or gas by the consumer. Such measures include residential and commercial buildings weatherization programs as well as energy end-user conservation programs, however designated and however funded or financed.

Under the general rules of statutory construction, tax exemption provisions must be strictly construed against the person claiming the exemption and in favor of imposing tax. Also, under such general rules the words and terms used in statutes must be given their common and ordinary meaning. By the terms of RCW 82.16.055 (1)(b) deductions are restricted to amounts expended for programs and measures which have as their purpose some reduction of energy use by utilities' customers. Some incidental and generally related costs which may be incurred in the development and implementation of energy conservation measures may be too remote from the purpose of improving energy efficiency or reducing consumers' energy consumption. For these reasons and pursuant to RCW 82.16.055(5) the department has consulted with publicly and privately operated utilities to determine the kinds of costs which will satisfy the statutory intent by achieving the purpose of reducing energy consumption.

Accordingly, the term "amounts expended to improve consumers' efficiency of energy end-use" means the costs incurred by public and private utilities which are exclusively attributable to the development and implementation of energy end-use conservation projects and

measures. This term does not include the costs attributable to the operation of a public or private utility business which were incurred before, or are incurred separate from the development and implementation of energy conservation programs. A portion of expenditures for personnel and facilities serving both energy conservation purposes and other utility purposes may be deducted if the portion attributable to energy conservation is supported by direct cost accounting records prepared during the tax reporting period for which such energy conservation expenditures are claimed for deduction. However, merely estimating an allocable portion of costs or apportioning some percentage of total overhead expense claimed to be related to energy conservation projects or measures will not support a deduction. The accounting should be based on actual experience. For example, expenditures for personnel or such facilities as computers could be accounted for on a time-use basis. However the expenses are accounted for, the burden rests upon the utility company to clearly show the direct relationship between any costs claimed for deduction and the energy conservation projects or measures claimed to have generated such costs.

ELIGIBLE COSTS.

Under the remoteness test, the department has determined the following specific costs to be eligible for tax deduction:

1. **CONSTRUCTION AND INSTALLATION.** All costs actually incurred by a utility representing the value of materials and labor applied or installed in any facility of or for an energy end-user, whether provided by the utility itself or by third party prime or subcontractors. Such eligible costs include, but are not limited to:

- a. Insulation for floors, ceilings, walls, water pipes and the complete installation thereof.
- b. Weatherstripping, caulking, batting, and any similar materials applied for weatherization of facilities and the complete installation thereof.
- c. Storm windows, insulated and other weather resistant glass or similar materials and installation.
- d. Electric or gas thermostatic controls and installation.
- e. Water heater wraps, shower head restrictors, and all similar devices installed to reduce heat loss or reduce the actual units of energy consumed, and the installation thereof.
- f. Energy efficient lighting and installation.

2. **ENERGY AUDITS AND POST INSTALLATION INSPECTION.** All direct costs actually incurred for providing:

- a. Energy audit training.
- b. Auditor payroll.
- c. Auditor uniforms.
- d. Special tools and equipment specifically needed for carrying out audit programs.
- e. Auditor and inspector private vehicle mileage allowance.
- f. Post installation inspection, labor, and materials costs.

3. **ADMINISTRATION.** All administrative, clerical, professional, and technical salary and payroll costs actually and directly incurred for:

- a. Conservation program management and supervision including but not limited to audit, BPA buy-back, commercial, solar, and loan programs.
- b. Secretarial and clerical expense.
- c. Data entry and information processing operators.
- d. Engineering.
- e. Outside legal expense and inhouse legal expense which is directly cost accounted.
- f. General energy conservation employee training.
- g. Conservation programs accounting and auditing.
- h. Separate telephone and third party provided services separately billed.

4. **CONSUMABLE SUPPLIES AND EQUIPMENT.** The cost of consumable materials and equipment utilized in energy conservation programs and directly cost accounted or separately billed, including but not limited to:

- a. Equipment rental.
- b. Custom software programs.
- c. Computer lease time.
- d. Computer print-out paper.
- e. Special conservation program stationery, program instruction and installation manuals and office clerical supplies.
- f. Periodic costs of capital equipment and rolling stock if:

- (i) Such equipment and rolling stock are attributable to an energy end-user conservation program; and
- (ii) Such costs are incurred during the duration of such program.
- g. Direct costs of repair and maintenance of the above items.

5. **FINANCING.** Deduction is allowed for all direct financing and loan expenses relative to:

- a. Loan manager, supervisor, inspectors, secretaries, and clerks payroll which is directly cost accounted.
- b. Net interest differential (loans to consumers at lower than the utilities' interest rates on such acquired funds).

6. **ADVERTISING AND EDUCATION.**

a. Information, dissemination, and advertising charges for radio, television, newspaper services, bill stuffers, brochures, handouts, displays, and related costs of producing and presenting such advertising materials, which are exclusively dedicated to promoting energy conservation projects and measures.

b. Community education and outreach efforts conducted for the exclusive purpose of promoting energy conservation and achieving reduction of end-user energy consumption.

INELIGIBLE COSTS.

The department has determined the following specific costs as being ineligible for tax deduction for the reason that they are too remote from the purpose of improving energy efficiency and reducing end-user's consumption:

- a. Legislative services.
- b. Dues, memberships and subscriptions.

c. Information, dissemination, and advertising charges for radio, television, newspaper services, bill stuffers, brochures, handouts, displays, and related costs of producing advertising materials which are not exclusively for the purpose of encouraging or promoting energy conservation.

d. Experimental programs. Caveat: If and when experimental programs and the facilities, projects, or measures developed through such experimentation, research, and development are actually placed in service or placed in the rate base, and upon written approval of eligibility by the department, the total of expenditures for such facilities, projects, or measures including experimental stage costs may be allowed for deduction.

e. Community education and outreach efforts which are not exclusively dedicated to energy conservation projects and measures.

f. Allocated facility costs which are not directly cost accounted.

g. Allocated vehicle rolling stock costs which are not directly cost accounted.

h. Convention, meals, and entertainment expense.

i. Out-of-state travel expenses, except that the percentage of such expenses allocable to miles traveled within this state will be allowed for deduction.

Utilities may deduct from the measure of public utility tax deductible expenses as set forth in this rule at the time such costs are actually incurred and may include such deductions on excise tax returns covering the period during which the costs were actually incurred. For purposes of reporting public utility tax liability, utilities must include and report Bonneville Power Administration (BPA) and other providers' cash grants, reimbursements, and buy-back payments attributable to energy conservation programs as gross income of the business when it is received. "Gross income of the business" shall also include the value of electrical energy units from BPA for performing approved energy conservation services.

Any recurring costs determined to be eligible for deduction under this rule shall cease to be eligible in whole or in part at time of termination of any energy conservation measure or project which originally authorized the deduction under RCW 82.16.055.

The question of the deductibility of any expenditures not expressly covered in this rule must be submitted to the department in writing for an express ruling before deduction may be taken. [Statutory Authority: RCW 82.32.300. 86-01-077 (Order 85-7), § 458-20-17901, filed 12/18/85.]

WAC 458-20-183 Amusement and recreation activities and businesses. The term "sale at retail" is defined by RCW 82.04.050 to include the sale of or charge made by persons engaging in certain business activities, including "amusement and recreation businesses." The statute indicates the type of activities and business intended to be taxed under this classification; i.e., "including but not limited to golf, pool, billiards, skating,

bowling, ski lifts and tows, and others." Thus, while certain activities are specifically included within the statutory definition (golf, pool, etc.) it is clear that the types of activities and businesses intended to be taxed under the retail sales tax classification are those in which payment is for participation.

The term "sale at retail" includes all activities wherein a person pays for the right to actively participate in an amusement or recreation activity. The term does not include the sale of or charge made for providing facilities where a person is merely a spectator or passive participant in the activity, such as movies, concerts, sports events, and the like. Nor does the term include activities of an instructional nature, even though the person is physically participating in the activity.

Health and fitness activities are distinguishable from amusement and recreation activities. Thus, health and fitness activities such as body building, exercise rooms and classes, weight lifting, nautilus facilities, saunas, massages, and the like are not taxable as retail sales, even though they may involve some active participation.

Coin operated amusement devices are not governed by this section. See WAC 458-20-187.

The term "sale at retail" also includes the sale of or charge made for providing camping and other outdoor living facilities regardless of whether or not additional recreation facilities of the type mentioned above are available for use.

Local governmental agencies which provide recreational, social, educational, health and fitness, and similar public programs are generally not making retail sales. Registration fees, league fees, and similar charges collected by such agencies may be taxable or exempt of business and occupation tax depending upon the nature of the programs and services provided. In any case, the taxability of such agencies and charges is governed by WAC 458-20-189, rather than this section on "amusement and recreation businesses."

BUSINESS AND OCCUPATION TAX

Gross receipts from the kind of amusement and recreation activities and businesses involving active participation as described above are taxable under the classification retailing.

Such persons are also taxable under the retailing classification upon gross receipts from sales of meals, drinks, tobacco, or other property sold by them.

Gross receipts from instruction and passive participation in amusement and recreation activities and businesses are taxable under the classification service and other activities.

RETAIL SALES TAX

The retail sales tax must be collected upon charges for admissions and the use of facilities by persons engaged in the amusement and recreation activities and businesses involving active participation as described above. The retail sales tax must also be collected upon sales of cigarettes and other merchandise by persons engaging in such businesses. See WAC 458-20-244 for sales of food products.

When the charge for merchandise is included within a charge for admission which is not a "sale at retail" as defined herein, the retail sales tax applies to the charge made for both merchandise and admission, unless a proper segregation of such charge is made upon the books of account of the seller.

The retail sales tax applies upon the sale or rental of all equipment and supplies to persons conducting places of amusement and recreation, except merchandise which is resold by them.

The retail sales tax does not apply to the charge made for instruction or passive participation in an amusement or recreation activity. Neither does the sales tax apply to charges or fees for health and fitness activities as described in this section. For the sales tax liability of governmental agencies, see WAC 458-20-189.

Revised March 27, 1984.

Effective July 1, 1984. [Statutory Authority: RCW 82.32.300. 84-12-046 (Order ET 84-2), § 458-20-183, filed 6/1/84. Statutory Authority: RCW 82.01.060(2) and 82.32.300. 78-07-045 (Order ET 78-4), § 458-20-183, filed 6/27/78; Order ET 70-3, § 458-20-183 (Rule 183), filed 5/29/70, effective 7/1/70.]

WAC 458-20-189 Sales to and by the state of Washington, counties, cities, school districts and other municipal subdivisions.

BUSINESS AND OCCUPATION TAX

No deduction is allowed a seller in computing tax under the provisions of the business and occupation tax with respect to sales to the state of Washington, its departments and institutions or to counties, cities, school districts, or other municipal subdivisions thereof.

The state of Washington, its departments and institutions, as distinct from its corporate agencies or instrumentalities, are not subject to the provisions of the business and occupation tax. Counties, cities, and other municipal subdivisions are not subject to the business and occupation tax upon amounts derived from license and permit fees, inspection fees, fees for copies of public records, reports and studies, processing fees involving fingerprinting and environmental impact statements, and taxes, fines or penalties, and interest thereon.

Counties, cities and other municipal subdivisions are taxable with respect to amounts derived, however designated, from any "utility or enterprise activity" for which a specific charge is made.

UTILITY ACTIVITIES

"Utility activities," which are taxable under the public utility tax, include water and electrical energy distribution, public transportation services, sewer services, solid waste treatment, and refuse collection services. (See WAC 458-20-179.)

ENTERPRISE ACTIVITY

An "enterprise activity," for the purposes of this rule, is an activity financed and operated in a manner similar to private business enterprises. The term includes activities which are generally in competition with private

business enterprises and are over fifty percent funded by user fees. The term does not include activities which are exclusively governmental.

Amounts derived from enterprise activities consisting of or from admission fees to special events, user fees (lockers, checkrooms), moorage fees (less than thirty days), cemetery and crematory fees, the granting of media broadcasting rights, and the granting of a license to use real property are taxable under the service and other activities classification of the business and occupation tax.

Amounts derived from enterprise activities consisting of or from fees for participation in amusement or recreation (pay for play), user fees for off-street parking and garages, and charges for sale and rental of tangible personal property are taxable under the retailing classification of the business and occupation tax.

Under RCW 82.04.419, amounts derived from an activity which is not a "utility or enterprise activity" are tax exempt. Such tax exempt amounts include admission fees other than to special events, fees for on-street metered parking and parking permits, instruction fees, health program fees, athletic team registration fees, and interagency and intergovernmental charges for services rendered.

All counties, cities and other municipal subdivisions engaging in utility or enterprise activities and all corporate agencies or instrumentalities of the state of Washington engaging in business activities are subject to tax as follows:

- (1) Extracting or manufacturing – taxable upon the value of products manufactured or extracted.
- (2) Retailing or wholesaling – taxable upon gross proceeds of sales.
- (3) Persons taxable under either the retailing or wholesaling classifications are not taxable under either extracting or manufacturing in respect to sales of articles extracted or manufactured by them in this state.
- (4) Service and other business activities – taxable under the service and other business activities classification upon the gross income derived from services rendered by them.
- (5) Public utility activities – taxable upon the gross income of the business (see WAC 458-20-179 and 458-20-17901).

Counties and cities are not subject to the business and occupation tax on the cost of labor and service in the mining, sorting, crushing, screening, washing, hauling and stockpiling of sand, gravel and rock taken from a pit or quarry owned by or leased to the county or city when these materials are sold at cost to another county or city for use on public roads. (See also WAC 458-20-171.)

For operation of hospitals by the state or its political subdivisions see WAC 458-20-168 and 458-20-188.

The business and occupation tax does not apply to the value of materials printed solely for their own use by school districts, educational service districts, counties, cities, towns, libraries, or library districts.

RETAIL SALES TAX

The retail sales tax applies to all retail sales made to the state of Washington, its departments and institutions and to counties, cities, school districts and all other municipal subdivisions of the state. The retail sales tax does not apply to sales to city or county housing authorities which were created under the provisions of the Washington housing authorities law, chapter 35.82 RCW. An exemption is also allowed municipal corporations, the state and all political subdivisions thereof for that portion of the selling price of contracts for watershed protection or flood control which is reimbursed by the United States government according to the provisions of the Watershed Protection and Flood Prevention Act, Public Law 566, as amended. The retail sales tax does not apply to sales of the entire operating property of a publicly or privately owned public utility, or of a complete operating integral section thereof, to the state or a political subdivision thereof for use in conducting any public utility enterprise except a tugboat business (RCW 82.08.0256).

Where tangible personal property or taxable services are purchased by the state of Washington, its departments or institutions for the purpose of resale to any other department or institution of the state of Washington, or for the purpose of consuming the property purchased in manufacturing or producing for use or for resale to any other department or institution of the state of Washington a new article of which such property is an ingredient or component part, the transaction is deemed a purchase at retail and the retail sales tax must be paid by the state of Washington to its vendors. So-called sales between a department or institution of the state of Washington and any other such department or institution constitute interdepartmental charges (see WAC 458-20-201) and the retail sales tax is not applicable.

The state of Washington, its departments and institutions and all counties, cities, and other municipal subdivisions are required to collect the retail sales tax on all retail sales of tangible personal property or services classified as retail sales, including sales of equipment or other capital assets. The retail sales tax is not applicable to charges for the production, searching, or copying of public records or documents by such public agencies charged with the responsibility to keep and provide such information. However, the tax does apply to charges for the sale of books, rules, regulations, and other materials sold from an inventory of such things, even though the charge is required by law or covers only the costs of production and distribution of such materials. The retail sales tax is not applicable to the cost of labor and services in the mining, sorting, crushing, screening, washing, hauling and stockpiling of sand, gravel and rock taken from a pit or quarry owned by or leased to the county or city when these materials are sold at cost to another county or city for use on public roads. (See also WAC 458-20-171.)

The sales tax does not apply to sales to the state or a local governmental unit thereof of ferry vessels, component parts thereof, nor labor and services in respect to construction or improvement of such vessels.

USE TAX

The state of Washington, its departments and institutions and all counties, cities, school districts, and other municipal subdivisions are required to report the use tax upon the use of all tangible personal property purchased or acquired under conditions whereby the Washington retail sales tax has not been paid.

Counties and cities are not subject to use tax upon the cost of labor and services in the mining, sorting, crushing, screening, washing, hauling, and stockpiling of sand, gravel, and rock taken from a pit or quarry owned or leased to a county or city when the materials are for use on public roads.

The use tax does not apply to the use of ferry vessels or component parts thereof by the state or local governmental units.

PUBLIC UTILITY TAX

No deduction in computing tax liability under the provisions of the public utility tax is allowed to any person or firm by reason of the fact that sales are to the state of Washington or any of its municipal subdivisions.

Counties, cities and other municipal subdivisions of the state operating public utilities or public service businesses are subject to the provisions of the public utility tax.

Neither the public utility tax nor the business tax apply to amounts or value paid or contributed to any county, city, town, political subdivision, or municipal or quasi municipal corporation of the state of Washington representing payments of special assessments or installments thereof and interests and penalties thereon, charges in lieu of assessments, or any other charges, payments or contributions representing a share of the cost of capital facilities constructed or to be constructed or for the retirement of obligations and payment of interest thereon issued for capital purposes. Service charges shall not be included in this exemption even though used wholly or in part for capital purposes (see WAC 458-20-179).

Where there is doubt as to the tax consequences applicable to any activity or transaction, the question should be submitted to the department of revenue for determination. [Statutory Authority: RCW 82.32.300. 85-22-041 (Order 85-6), § 458-20-189, filed 11/1/85; 85-04-016 (Order 85-1), § 458-20-189, filed 1/29/85; 83-07-033 (Order ET 83-16), § 458-20-189, filed 3/15/83; Order ET 70-3, § 458-20-189 (Rule 189), filed 5/29/70, effective 7/1/70.]

WAC 458-20-207 Attorneys. The word "attorney" as used herein means an individual engaged in the practice of law. The term shall also include a professional service corporation organized under chapter 18.100 RCW for the purpose of engaging in the practice of law.

BUSINESS AND OCCUPATION TAX

Attorneys are taxable under the service and other activities classification upon the gross income of the business. Gross income of the business means the value proceeding or accruing by reason of the transaction of the business engaged in and includes compensation for the rendition of services, all without any deduction on account of expenses or losses. (See RCW 82.04.070.) Value proceeding or accruing means consideration actually received or accrued. (See RCW 82.04.090.) Thus, under these statutes, the measure of the tax for attorneys includes compensation or consideration for the rendition of legal service.

Attorneys are bound by the rules of professional conduct. RPC 1.8e prohibits an attorney from financing the expenses of contemplated or pending litigation unless the client remains ultimately liable for such expenses. An attorney therefore normally acts solely as agent for the client when financing litigation. Accordingly, amounts received from a client for certain expenses of litigation do not constitute income to the attorney. Thus, such amounts are not part of the business and occupation tax measure.

Sometimes in the regular course of business an attorney may receive amounts from a client for expenses of third party providers incurred in connection with a legal matter other than litigation. Such amounts are also excluded from the business and occupation tax, but only if the attorney has no obligation for payment other than as agent for the client or equivalent commitment for their payment.

Thus, the following kinds of expenses are not subject to the business and occupation tax where the above requirements are satisfied.

- A. Filing fees and court costs.
- B. Process server and messenger fees.
- C. Court reporter fees.
- D. Expert witness fees.
- E. Costs of associate counsel.

F. Costs of third party service providers (for example, accountants, appraisers, architects, artists, draftsmen, economists, engineers, investigators, physicians, surveyors, etc.) who provide services to the client which the attorney does not or cannot render, and to whom the attorney has no obligation for payment other than as agent for the client.

- G. Registration, licensing or maintenance fees.
- H. Title and other insurance premiums.
- I. Escrow fees paid to third party escrow agents.

In order to support the exclusion from taxable gross income of any of the foregoing expenses, the attorney must maintain records which indicate the amount of the payment received from the client, the name of the client, the name of the person to whom the attorney has made payment, and a description of the item for which payment was made. If the foregoing expenses are incurred outside the context of litigation or contemplated litigation, the attorney must maintain records which indicate the amount of the payment received, the name of the client, and the person to whom the attorney makes payment. In addition, the attorney must provide the person

to whom payment is made with written notice that (1) payment is made, or will be made on behalf of a named client, and (2) the attorney assumes no liability for payment, other than as agent for the named client.

General overhead costs are includable in the tax measure even though an attorney may allocate those costs among particular clients. Likewise, any other costs for which the attorney assumes personal liability other than as stated above are includable in the tax measure.

Thus, amounts received to compensate for the following costs are fully subject to tax, even though they may be separately stated on the billings or expressly denominated as costs of the client:

- A. Photocopy or other reproduction charges.
- B. Long distance telephone tolls.
- C. Secretarial expenses.
- D. Travel, meals and lodging.

E. Third party service providers (for example, accountants, appraisers, architects, artists, draftsmen, economists, engineers, investigators, physicians, etc.) to whom the attorney assumes personal liability for payment.

RETAIL SALES TAX

Attorneys primarily render professional legal services and are not required to collect the retail sales tax from clients and others paying for such services. This is so even though the legal services rendered by attorneys may include abstract, title insurance, and escrow business activities which are "retail sales" under the law when performed by persons other than attorneys.

Sales of tangible personal property to attorneys for use in rendering professional services are retail sales upon which the retail sales tax must be collected. Such sales include, among others, sales of office furniture and equipment, stationery, office supplies, law books, and reference materials.

USE TAX

The use tax applies upon the use within this state of all articles of tangible personal property used in the performance of professional services when such articles have been purchased or acquired under conditions whereby the Washington retail sales tax has not been paid. [Statutory Authority: RCW 82.32.300. 85-20-012 (Order ET 85-4), § 458-20-207, filed 9/20/85; Order ET 70-3, § 458-20-207 (Rule 207), filed 5/29/70, effective 7/1/70.]

WAC 458-20-228 Returns, remittances, penalties, extensions, inventory tax credit applications, stay of collection. The taxes imposed under chapter 82.20 RCW (Tax on conveyances) and under chapter 82.24 RCW (Tax on cigarettes) are collected through sales of revenue stamps.

As to taxes imposed under chapter 82.04 RCW (Business and occupation tax), chapter 82.08 RCW (Retail sales tax), chapter 82.12 RCW (Use tax), chapter 82.14 RCW (Local sales and use taxes) chapter 82.16 RCW (Public utility tax), and chapter 82.26 RCW (Tobacco products tax), returns and remittances are to

be filed with the department of revenue by the taxpayer. Returns are filed monthly, quarterly or annually. Reporting periods are assigned by the department of revenue on the basis of the amount of tax liability. Returns shall be made upon forms prepared by the department, which forms are forwarded by mail to all registered taxpayers approximately ten days prior to the due date of the tax.

Remittances in payment of tax may be made by uncertified bank check, but if any such check or remittance, other than legal tender, is not honored by the bank on which drawn, the taxpayer shall remain liable for the payment of the tax and for all legal penalties thereon. The department may refuse to accept any check which, in its opinion, would not be honored by the bank on which such check is drawn. The remittance covered by any check which is so refused will be deemed not to have been made and the taxpayer will remain liable for the tax due and for the applicable penalties.

For monthly reporting taxpayers, the tax returns are due as shown in the following schedule:

BUSINESS ACTIVITY DURING:	TAX RETURN IS DUE:
October 1981 through March 1982	25th of the following month
April 1982 through March 1983	20th of the following month
April 1983 through March 1985	15th of the following month
April 1985 and thereafter	25th of the following month

If the tax return is not filed by the due date shown above, a 5% penalty will apply; a 10% penalty will apply if the return is not filed within 30 days of the due date; and a 20% penalty will apply if the return is still delinquent 60 days from the due date.

As to taxpayers reporting quarterly or annually, the tax return is due on or before the last day of the month following the period covered by the tax return. If payment of any tax due is not received by the department by the last day of the month in which the tax becomes due, there shall be assessed a penalty of five percent of the amount of the tax; and if the tax is not received within thirty days of the last day of the month in which the due date falls, there shall be assessed a total penalty of ten percent of the amount of the tax; and if the tax is not received within sixty days of the last day of the month in which the due date falls, there shall be assessed a total penalty of twenty percent of the amount of the tax.

The department may refuse to accept any return which is not accompanied by a remittance of the tax shown to be due thereon, and if not accepted, the taxpayer shall be deemed to have failed or refused to file a return, and shall be subject to the foregoing penalties.

Under the law, none of the penalties referred to above may be less than two dollars. The aggregate of penalties for failure to file a return, late payment of any tax, increase or penalty, or issuance of a warrant may not exceed twenty-five percent of the tax due, or seven dollars, whichever is greater.

The department shall apply the payment of the taxpayer first against penalties and interest, and then upon the tax, without regard to any direction of the taxpayer.

The department will waive or cancel the penalties imposed under RCW 82.32.090 and interest imposed under

RCW 82.32.050 upon finding that the failure of a taxpayer to pay any tax by the due date was due to circumstances beyond the control of the taxpayer. The department has no authority to cancel penalties or interest for any other reason.

The following situations will constitute the only circumstances under which a cancellation of penalties will be considered by the department:

1. The return was filed on time but inadvertently mailed to another agency.

2. The delinquency was due to erroneous information given the taxpayer by a department officer or employee.

3. The delinquency was caused by death or serious illness of the taxpayer or his immediate family, or illness or death of his accountant or in the accountant's immediate family, prior to the filing date.

4. The delinquency was caused by unavoidable absence of the taxpayer, prior to the filing date.

5. The delinquency was caused by the destruction by fire or other casualty of the taxpayer's place of business or business records.

6. The taxpayer, prior to the time for filing the return, made timely application to the Olympia or district office, in writing, for proper forms and these were not furnished in sufficient time to permit the completed return to be paid before its delinquent date.

7. The delinquent tax return was received under the following circumstances:

a. The return was received by the department with full payment of tax due within 30 days after the due date; i.e., within the five percent penalty period prescribed by RCW 82.32.090, and

b. The taxpayer has never been delinquent filing a tax return prior to this occurrence, unless the penalty was excused under one of the preceding six circumstances, and

c. The delinquency was the result of an unforeseen and unintentional circumstance, not immediately known to the taxpayer, which circumstances will include the error or misconduct of the taxpayer's employee or accountant, confusion caused by communications with the department, failure to receive return forms timely, and delays or losses related to the postal service.

d. The delinquency will be waived under this circumstance on a one-time basis only.

A request for a waiver or cancellation of penalties must be in letter form and should contain all pertinent facts and be accompanied by such proof as may be available. Petition for cancellation of penalties must be made within the period for filing under RCW 82.32.160 (within 20 days after the issuance of the original notice of the amount thereof or within the period covered by any extension of the due date thereof granted by the department). In all such cases the burden of proving the facts is upon the taxpayer.

The following situations will constitute circumstances under which a waiver or cancellation of interest upon assessments pursuant to RCW 82.32.050 will be considered by the department:

1. The failure to pay the tax prior to issuance of the assessment was the direct result of written instructions given the taxpayer by the department.

2. Extension of the due date for payment of an assessment was not at the request of the taxpayer and was for the sole convenience of the department.

STAY OF COLLECTION

RCW 82.32.200 provides, "When any assessment or additional assessment (of taxes) has been made, the taxpayer may obtain a stay of collection, under such circumstances and for such periods as the department may by general regulation provide, of the whole or any part thereof, by filing with the department a bond in an amount, not exceeding twice the amount on which stay is desired, and with sureties as the department deems necessary, conditioned for the payment of the amount of the assessments, collection of which is stayed by the bond, together with the interest thereon at the rate of one percent of the amount of such assessment for each thirty days or portion thereof from the due date until paid."

(Note: RCW 82.32.190 authorizes issuance of an order by the department holding in abeyance tax collection during pendency of litigation. Such tax might be that due on excise tax returns or tax due for unaudited periods for which no assessment has been issued. If, however, an assessment has been issued and is unpaid, RCW 82.32.200, not RCW 82.32.190, is the operative statute for stay of collection with respect to such an assessment.)

The department will give consideration to a request that it grant a stay of collection if:

1. Written request for the stay is made prior to the due date for payment of the tax assessment, and
2. Payment of any unprotested portion of the assessment and other taxes due is timely made, and
3. The requested stay is accompanied by an offer of a cash bond, or the offer of a security bond, the conditions of which are guaranteed by a specified authorized surety insurer; in either case the amount of the bond will ordinarily be set in an amount equal to the assessment or portion thereof for which stay is requested together with interest thereon at the rate of one percent per month, but in appropriate cases the department may require a bond in an increased amount not to exceed twice the amount for which stay is requested.

The department will grant a stay of collection only when it is satisfied and determines that it is in the best interests of the state to do so. Factors which it will consider in making this determination include: The existence of 1. a constitutional issue to be litigated by the taxpayer the resolution of which is uncertain; 2. a matter of first impression for which the department has little precedent in administrative practice; and 3. an issue affecting other similarly situated taxpayers for whom the department would be willing to stay collection of the tax.

Claims of financial hardship or threat of litigation are not grounds which would justify the granting of a stay of collection. However, the department will consider a

claim of significant financial hardship as grounds for staying collection procedures, but this will be done only if a partial payment agreement is executed and kept in accordance with the department's procedures and with such security as the department deems necessary.

If the department grants a stay of collection, the stay will be for a period of no longer than two calendar years from the date of acceptance of the taxpayer request therefor or thirty days following a decision not appealed from by a tribunal or court of competent jurisdiction upholding the validity of the tax assessed, whichever date occurs first. The department may extend the period of a stay originally granted, but only for good cause shown.

EXTENSIONS

The department, for good cause, may extend the due date for filing any return. Any permanent extension, and any temporary extension in excess of thirty days, must be conditional upon deposit by the taxpayer with the department of an amount equal to the estimated tax liability for the reporting period or periods for which the extension is granted. This deposit is credited to the taxpayer's account and may be applied to the taxpayer's liability upon cancellation of the permanent extension or upon reporting of the tax liability where a temporary extension of more than thirty days has been granted.

The amount of the deposit is subject to departmental approval. The amount will be reviewed from time to time, and a change may be required at any time that the department concludes that such amount does not approximate the tax liability for the reporting period or periods for which the extension was granted.

INVENTORY TAX CREDIT

A credit against business and occupation tax for property tax on business inventories paid before delinquency (i.e., paid on or before the time specified in RCW 84.56.020) is authorized by RCW 82.04.442. However, the credit may be allowed notwithstanding that the property tax was not paid by the due date for such payment upon a finding by the department of revenue that the delinquency was due to extenuating circumstances. Extenuating circumstances are those which are beyond the control of the taxpayer, namely:

1. The payment was mailed timely, but was inadvertently addressed incorrectly.
2. The delinquency was caused by death or serious illness of the taxpayer or his immediate family, or death or serious illness of his accountant or his immediate family.
3. The delinquency was caused by unavoidable absence of the taxpayer.
4. The delinquency was caused by the destruction by fire or other casualty of the taxpayer's place of business or business records. [Statutory Authority: RCW 82.32-.300. 85-04-016 (Order 85-1), § 458-20-228, filed 1/29/85; 83-16-052 (Order ET 83-4), § 458-20-228, filed 8/1/83; Order ET 74-1, § 458-20-228, filed 5/7/74; Order ET 71-1, § 458-20-228, filed 7/22/72; Order ET 70-3, § 458-20-228, filed 5/29/70, effective 7/1/70.]

**WAC 458-20-24001 Sales and use tax deferral—
Manufacturing and research/development facilities in
distressed areas.**

I. INTRODUCTION

Chapter 232, Laws of 1985 establishes a sales and use tax deferral program. The purpose of the program is to promote economic stimulation, create employment opportunities, and reduce poverty in certain distressed areas of the state. Thus, the legislature established this tax deferral program to be effective solely in those distressed areas and under circumstances where the deferred tax payments are for investments or costs that result in the creation of a specified minimum number of jobs. In general, the deferral applies to sales and use taxes on materials, labor, and services rendered in the construction of qualified buildings, machinery, and equipment.

II. DEFINITION OF TERMS

For purposes of this rule:

"Applicant" means a person applying for a tax deferral under chapter 232, Laws of 1985.

"Person" has the meaning given in RCW 82.04.030. It means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, political subdivision of the state of Washington, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise and the United States or any instrumentality thereof. For purposes of this rule the relationship of landlord and tenant between separate persons, at arms length, shall not be considered as any of the types of relationships which are identified above as "persons."

"Certificate holder" means an applicant to whom a tax deferral certificate has been issued.

"Recipient" means a person who has been granted a tax deferral under this program.

"Department" means the department of revenue.

"Eligible area" means a county in which the average level of unemployment for the three calendar years preceding the year in which an application is filed exceeds the average state unemployment for those years by twenty percent; i.e., the average unemployment rate for the county must be twenty percent above the average unemployment rate for the state in the preceding three calendar years. In determining an eligible area the department may compare the county's average unemployment rate in the prior three years to one hundred twenty percent of the state's average unemployment rate based on official unemployment figures published by the department of employment security.

"Eligible investment project" means that portion of an investment project which:

1. Is directly utilized to create at least one new full time qualified employment position for each two hundred thousand dollars of investment on which a deferral is requested; and

2. Either initiates a new operation or expands or diversifies a current operation by expanding or renovating an existing building with costs in excess of twenty-five percent of the true and fair value of the plant complex prior to the improvement; and

3. Does not exceed twenty million dollars in value.

For the purposes of the above paragraph the following definitions will apply:

"Qualified employment position" means a permanent, full time employee employed in the eligible investment project during the entire tax year following the operational completion of the project. In the event an employee is either voluntarily or involuntarily separated from employment the employment position will be considered filled if the employer is either training or actively recruiting a replacement employee.

An "improvement" shall mean the physical alteration by expansion, modernization, or renovation of an existing building where the cost exceeds 25 percent of the true and fair value of the existing plant complex prior to the initiation of construction. The term "improvement" is further defined to include those portions of an existing building which do not increase the usable floor space, but is limited to the renovation, modernization, or any other form of alteration or addition and the equipment and machinery installed therein during the course of construction.

"True and fair value" means:

The value listed on the assessment rolls as determined by the county assessor for the land, buildings, or equipment for ad valorem property tax purposes at the time of application.

"Plant complex" shall mean land, machinery, and buildings adapted to industrial, computer, warehouse, or research and development use as a single functional or operational unit for the designing, assembling, processing, or manufacturing of finished or partially finished products from raw materials or fabricated parts.

"Eligible investment project" does not include:

1. An investment project undertaken by a light and power business as defined in RCW 82.16.010(5), or

2. Investment projects which have already received deferrals under chapter 232, Laws of 1985.

"Investment project" means an investment in qualified buildings and qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project. A person who does not build or remodel its own building, but leases from a third party, is eligible for sales and use tax deferral provided that an investment in qualified machinery and equipment is made by such person and a new structure used to house the manufacturing activities is constructed. The lessor/owner of the structure is not eligible for deferral unless the underlying ownership of the buildings, machinery, and equipment vests in the same persons.

"Manufacturing" has the meaning given in RCW 82.04.110 and WAC 458-20-136 now and as hereafter amended. Manufacturing, for purposes of this rule only,

shall also include computer programming, the production of computer-related service, and the activities performed by research and development laboratories and commercial testing laboratories.

"Qualified buildings" means new structures used to house manufacturing activities as defined above and includes plant offices, warehouses, or other facilities for the storage of raw material and finished goods if such facilities are essential or an integral part of a manufacturing operation. The term also includes parking lots, landscaping, sewage disposal systems, cafeterias, and the like, which are attendant to the initial construction of an eligible investment project. The term "new structures" means either a newly constructed building or a building newly purchased by the certificate holder. A preowned or existing building is eligible for deferral provided that the certificate holder expands, modernizes, renovates, or remodels the preowned or existing building by physical alteration thereof.

"Qualified machinery and equipment" means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a manufacturing operation, as defined above. "Qualified machinery and equipment" includes, but is not limited to, computers, software, data processing equipment, laboratory equipment; manufacturing components such as belts, pulleys, shafts and moving parts; molds, tools and dies; operating structures and all equipment used to control or operate machinery. It also includes machinery and equipment acquired under the terms of a long or short term lease by the recipient. The tax deferral applies to equipment purchased outright by the recipient (or the transfer of machinery and equipment into the state of Washington) and leased equipment. Acquisition of spare parts for machinery, equipment, etc., in excess of normal operating levels shall not be eligible for deferral.

"New machinery and equipment" means either new to the taxing jurisdiction of the state or new to the certificate holder. Used equipment is eligible for deferral provided that the certificate holder either brings the machinery or equipment into Washington for the first time or purchases it at retail in Washington.

"Initiation of construction," for purposes of applying for the investment tax deferral relating to the construction of new buildings, shall mean the date upon which on-site construction work commences.

"Initiation of construction," for purposes of applying for the investment tax deferral relating to a major improvement of existing buildings, shall mean the date upon which the new construction by renovation, modernization, or expansion, by physical alteration, begins.

"Operationally complete" means the eligible investment project is constructed or improved to the point of being fully and functionally useable for its intended purpose as described in the application.

III. APPLICATION PROCEDURE

An application for sales and use tax deferral under chapter 232, Laws of 1985 must be made prior to the initiation of construction, as defined above. Application

forms will be supplied to the applicant by the department upon request. The completed application is to be sent in duplicate to the following address:

State of Washington
Department of Revenue
Audit Procedures & Review
Olympia, WA 98504
Mail Stop AX-02

The department will verify the information contained in the application and either approve or disapprove the application within sixty days. If approved, a tax deferral certificate shall be issued effective as of the date the application was received by the department. If disapproved, the department shall notify the applicant as to the reason(s) for disapproval. The applicant may seek administrative review of the department's refusal to issue a certificate pursuant to the provisions of WAC 458-20-100, within twenty days from the date of notice of the department's refusal, or within any extension of such time granted by the department.

In the event an application is submitted prior to the publication of state-wide and county unemployment statistics for the year preceding the year in which application is made, the department will take no action on the application until the statistics are published even though this period may extend beyond the sixty-day approval period. If, after publication of the statistics, it is determined that the applicant is eligible for tax deferral the department, within ten days of publication, shall issue the tax deferral certificate effective on the date the application was received by the department.

IV. USE OF THE CERTIFICATE

A tax deferral certificate issued pursuant to chapter 232, Laws of 1985 shall be for the use of the recipient thereof for deferral of sales and use taxes due on each eligible investment project. Deferral is limited only to investment in qualified buildings and qualified machinery and equipment as defined in this rule. Thus, sales and use taxes cannot be deferred on items which do not become part of the qualified buildings, machinery, and equipment.

The tax deferral certificate shall be used in a manner similar to that of a resale certificate as set forth in WAC 458-20-102. The certificate holder shall provide its vendors with a copy of the tax deferral certificate at the time goods or services are purchased. The seller or vendor shall be relieved of the responsibility for collection of the sales or use tax upon presentation of the certificate. The seller or vendor shall retain a copy of the certificate as part of its permanent records. A blanket certificate may be provided by the certificate holder and accepted by the seller covering all such purchases relative to the eligible project. The seller or vendor is liable for reporting business and occupation tax on all tax deferral sales.

V. AUDIT PROCEDURE

An applicant must provide the department with the estimated cost of the investment project at the time the

application is made. A certificate holder is eligible for deferral of sales and use taxes on any eligible investment project up to twenty million dollars in project value. Following approval of the application and issuance of a sales and use tax deferral certificate, a certificate holder must notify the department, in writing, when the value of the investment project reaches the estimated cost as stated on the tax deferral certificate. At that time the certificate holder may not utilize the certificate further. If a certificate holder has reached its level of estimated costs, which level is less than twenty million dollars and the project is not operationally complete, the certificate holder may apply for a supplemental certificate stating a revised amount upon which the deferral of sales and use taxes is requested. The certificate holder shall amend the original application to account for the additional costs. The department may grant or deny the amended application depending on the total biennial tabulation of deferred taxes.

The certificate holder shall notify the department in writing when the construction project is operationally complete. Upon receipt of such notification or other information, the department shall conduct a final audit of the investment project. The certificate holder shall open its books and records to the department and make available the final cost figures for the investment project. The department may request reasonable supporting documentation and other proof to justify the final cost of the project.

Upon completion of the audit the department shall certify the amount of sales and use taxes subject to deferral and the date on which the project was operationally complete. The recipient shall be notified in writing of the total amount of deferred taxes, the date(s) upon which the deferred taxes shall be paid, and any reports required to be submitted in the subsequent years. If the department disallows all or any portion of the amount of sales and use taxes requested for deferral, the recipient may seek administrative review of the department's action pursuant to the provisions of WAC 458-20-100, within twenty days from the date of the notice of disallowance.

The department shall keep a running total of all deferral certificates granted during each fiscal biennium. The department will not allow any deferral certificates to be issued which would cause the tabulation for a biennium to exceed twenty million dollars in deferred taxes. If the department has granted a total of nineteen million dollars in deferrals during any fiscal biennium and there is a reasonable expectation that the total of all deferrals shall reach or exceed twenty million dollars in the current biennium, the department shall notify each new applicant of the department's tabulation and of the fact that the applicant's deferred taxes may carry over into the next biennium in accordance with the guidelines set forth in the following paragraph.

An application for deferral of taxes shall be prioritized based upon the time of receipt by the department of the original application. For purposes of this regulation, the term "time of receipt" shall mean the date shown by the post office cancellation mark stamped

upon the envelope containing the application if transmitted by the United States Postal Service, the date stamped on the envelope if transmitted by another carrier, or the date of receipt if hand delivered to an office of the department. If more than one application is received on the same day and, under the provisions of this paragraph, only a portion of the taxes may be deferred, the amount of taxes to be deferred by each applicant shall be determined on a pro rata basis.

If all or part of an application for deferral is disallowed because the total tabulation for the biennium exceeds twenty million dollars in deferred taxes the disallowed portion shall be carried over for approval into the next biennium. However, the applicant's carryover into the next biennium is only permitted if the tabulation for the next biennium does not exceed twenty million dollars as of the date on which the department has disallowed all or part of the application.

The deferral is allowable only in respect to investment in the construction of a new plant complex or the enlargement or improvement of an existing plant complex directly used in manufacturing activities, as defined above. Where a plant complex is used partly for manufacturing and partly for purposes which do not qualify for deferral under this rule and it is not possible to identify the nonqualifying items through separate accounting, the applicable tax deferral shall be determined by apportionment according to the ratio which the construction cost per square foot of that portion of the plant complex directly used for manufacturing purposes bears to the construction cost per square foot of the total plant complex.

The amount of tax deferral allowable for leased equipment shall be calculated upon that amount of the consideration paid by the lessee/recipient to the lessor:

(1) Over the initial term of the lease, excluding any period of extension or option to renew, where the lease term ends on or before the last date for repayment of the deferred taxes; or

(2) Over that portion of the lease term to the last date for repayment of deferred taxes as provided hereinafter, where the lease term, excluding any period of extension or option to renew extends beyond such repayment date.

After that date the lessee/recipient shall pay the appropriate sales taxes to the lessor for the remaining term of the lease.

No taxes may be deferred under this rule prior to July 1, 1985. No applications for deferral of taxes will be accepted after May 1, 1991 nor will sales or use tax deferral certificates be issued on or after July 1, 1991. In tabulating the total amount of deferrals granted under this law there shall be considered a total of three fiscal biennia within which applications shall be accepted.

VI. REPORTING AND MONITORING PROCEDURE

Each recipient of sales and use tax deferral shall submit a report to the department on December 31st of each year during the repayment period until all taxes are repaid. The first report shall be submitted in the third year after the date on which the construction project has been operationally complete to coincide with the first

payment of deferred taxes. The report shall contain information from which the department may determine whether the recipient is meeting the requirements of the deferral law.

The report shall be made to the department in a form and manner prescribed by the department. The report shall contain information regarding the recipient's average employment in the state for the prior three years, the actual employment related to the project, the actual wages of the employees related to the project, and any other information required by the department. If the recipient fails to submit a report or submits an inadequate or falsified report, the department may declare the amount of deferred taxes outstanding to be immediately assessed and payable. An inadequate or falsified report is one that contains material omissions or contains knowingly false statements and information.

The department shall notify the department of employment security of the names of all recipients of tax deferrals under chapter 232, Laws of 1985. On or before December 31st of each year a deferral is in effect, the department shall request information on each recipient's employment in the state for that year, including employment related to the deferral project, and the wages of such employees. The department of employment security shall make, and certify to the department, all determinations of employment and wages required under this paragraph.

If, on the basis of the recipient's annual report or other information including that submitted by the department of employment security, the department finds that an investment project is not eligible for tax deferral, the department will (1) declare the amount of deferred taxes outstanding to be immediately due or (2) assess interest on the deferred taxes for the project, under the following guidelines:

(1) If the department finds that an investment project has been operationally complete for three years and has failed to create the required number of qualified employment positions, the department shall assess interest, but not penalties, on the deferred taxes. The interest shall be assessed at the rate of nine percent per annum, shall be assessed retroactively to the date of deferral, and shall accrue until the deferred taxes are paid. A recipient of deferred taxes shall have from the date on which the construction project was certified as operationally complete to December 31st of the first year of repayment in which to create the required number of employment positions under this law.

(2) If the department finds that the investment project is not eligible for tax deferral for reasons other than failure to create the required number of qualified employment positions, the amount of deferred taxes outstanding for the project shall be immediately due. The reasons for disqualification include, but are not limited to, the following:

(a) The facility is not used for a manufacturing, warehouse, computer, or research and development operations;

(b) The recipient has not made an investment in qualified buildings, machinery, and equipment.

Any action taken by the department under paragraph (1) or (2) above shall be subject to administrative review pursuant to the provisions of WAC 458-20-100.

VII. PAYMENT PROCEDURES

The recipient of sales and use tax deferral under this regulation shall begin paying the deferred taxes in the third year after the date certified by the department as the date on which the construction project was operationally complete. The first payment will be due on December 31st of the third calendar year after such certified date, with subsequent annual payments due on December 31st of the following four years, with amounts of payment scheduled as follows:

Repayment Year	Percentage of Deferred Tax Repaid
1	10%
2	15%
3	20%
4	25%
5	30%

The department may authorize an accelerated repayment schedule upon request of the recipient. Interest shall not be charged on any taxes deferred under this rule during the period of deferral, although other penalties and interest applicable to delinquent excise taxes may be assessed and imposed for any delinquent payments during the repayment period pursuant to chapter 82.32 RCW. The debt for deferred taxes shall not be extinguished by insolvency or other failure of the recipient nor shall the debt for the deferred taxes be extinguished by the sale, exchange, or other disposition of the recipient's business. Any person who becomes a successor (see WAC 458-20-216) to such investment project shall be liable for the full amount of any unpaid, deferred taxes under the same terms and conditions as the original recipient. [Statutory Authority: RCW 82.32-.300. 85-21-013 (Order ET 85-5), § 458-20-24001, filed 10/7/85.]

WAC 458-20-24002 Sales and use tax deferral-- New manufacturing and research/development facilities.

I. INTRODUCTION

Chapter 2, Laws of 1985 1st ex. sess. establishes a sales and use tax deferral program for certain manufacturing or research and development investment projects. The deferral will be granted only to persons not currently engaged in manufacturing or research and development activities in the state of Washington on June 14, 1985, the effective date of the deferral program. Applications for the tax deferral may be accepted up through June 30, 1986; a holder of a tax deferral certificate must initiate construction of the investment project within one hundred eighty days of receiving approval from the department and issuance of the tax deferral certificate. In general, the deferral applies to the construction of new buildings and the acquisition of related machinery and equipment.

II. DEFINITION OF TERMS

Unless the context clearly requires otherwise, the definitions in this section apply throughout this rule.

"Applicant" means a person applying for a tax deferral under this rule.

"Person" has the meaning given in RCW 82.04.030. It means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, political subdivision of the state of Washington, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise and the United States or any instrumentality thereof. For purposes of this rule the relationship of landlord and tenant between separate persons, at arms length, shall not be considered as any of the types of relationships which are identified above as "persons".

"Eligible investment project" means construction of new buildings and the acquisition of related machinery and equipment when the buildings, machinery, and equipment are to be used for either manufacturing or research and development activities, which construction is commenced prior to December 31, 1986.

"Manufacturing" means all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials so that as a result thereof a new, different, or useful substance or article of tangible personal property is produced for sale or commercial or industrial use and includes the production or fabrication of specially made or custom-made articles.

"Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process before commercial sales have begun.

"Buildings" means only those new structures used for either manufacturing or research and development activities, including plant offices and warehouses or other facilities for the storage of raw materials or finished goods if such facilities are an essential or integral part of a factory, mill, plant, or laboratory used for manufacturing or research and development purposes. If a building is used partly for manufacturing or research and development purposes and partly for other purposes, the applicable tax deferral shall be determined by apportionment of the costs of construction under this rule.

"Machinery and equipment" means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a manufacturing or research and development operation.

"Qualified machinery and equipment" includes computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery. For purposes of this definition, new machinery and equipment means either new to the taxing jurisdiction of the state or new to the certificate holder. Used machinery and equipment are eligible for deferral if the certificate holder either brings the

machinery and equipment into Washington for the first time or makes a retail purchase of the machinery and equipment in Washington.

"Acquisition of equipment and machinery" shall have the meaning given to the term "sale" in RCW 82.04-.040. It means any transfer of the ownership of, title to, or possession of, tangible personal property for a valuable consideration. A sale takes place when the goods sold are actually or constructively delivered to the buyer in this state.

"Recipient" means a person receiving a tax deferral under this chapter.

"Certificate holder" means an applicant to whom a tax deferral certificate has been issued.

"Operationally complete" means that the eligible investment project is constructed or improved to the point of being fully and functionally useable for the intended purpose as described in the application.

"Initiation of construction" means that date upon which on-site construction commences.

"Plant complex" shall mean land, machinery, and buildings adapted to commercial, industrial, or research and development use as a single functional or operational unit for the designing, assembling, processing or manufacturing of finished or partially finished products from raw materials or fabricated parts.

"Investment project" means an investment in qualified buildings and qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project. A person who does not build or remodel its own building, but leases from a third party, is eligible for sales and use tax deferral provided that an investment in qualified machinery and equipment is made by such person and a new structure used to house the manufacturing activities is constructed. The lessor/owner of the structure is not eligible for deferral unless the underlying ownership of the buildings, machinery, and equipment vests in the same persons. An eligible investment project does not include any project which or person who have previously been the recipient of a tax deferral under Washington law.

III. APPLICATION PROCEDURES

An application for sales and use tax deferral under chapter 2, Laws of 1985 1st ex. sess. must be made prior to either the initiation of construction or the acquisition of equipment or machinery, as defined above, whichever occurs first. Application forms will be supplied to the applicant by the department upon request. The completed application is to be sent in duplicate to the following address:

State of Washington
Department of Revenue
Audit Procedures & Review
Olympia, WA 98504
Mail Stop AX-02

The application shall contain information regarding the location of the investment project, estimated or actual costs, time schedules for completion and operation,

and other information required by the department, including information relating to employment at the investment project.

The department will examine and verify the information contained in the application and either approve or disapprove the application within sixty days. If approved, a tax deferral certificate will be issued effective as of the date the application was received by the department. If disapproved, the department shall notify the applicant as to the reason(s) for disapproval. The applicant may seek administrative review of the department's refusal to issue a certificate pursuant to the provisions of WAC 458-20-100 within twenty days from the date of notice of the department's refusal, or within any extension of such time granted by the department. A certificate holder shall initiate construction of the investment project within one hundred eighty days of receiving approval from the department and issuance of the tax deferral certificate.

A tax deferral certificate shall only be issued to persons who, on June 14, 1985, are not engaged in manufacturing or research and development activities within this state. For purposes of this section, a person shall not be considered to be engaged in manufacturing or research and development activities where the only activities performed by such person in this state are sales, installation, repair, or promotional activities in respect to products manufactured outside this state. Any person who has succeeded by merger, consolidation, incorporation, or any other form or change of identity to the business of a person engaged in manufacturing or research and development activities in this state on June 14, 1985 and any person who is a subsidiary of a person engaged in manufacturing or research and development activities in this state on June 14, 1985 shall also be eligible to receive a tax deferral certificate.

No application for deferral of taxes shall be accepted after June 30, 1986. For purposes of this regulation, the time of receipt of an application shall be determined by the date shown by the post office cancellation mark stamped upon the envelope containing the application if transmitted by the United States Postal Service, the date stamped on the envelope if transmitted by another carrier, or the date of receipt if hand delivered to an office of the department.

IV. USE OF THE CERTIFICATE

A tax deferral certificate issued pursuant to chapter 2, Laws of 1985 1st ex. sess. shall be for the use of the recipient thereof for deferral of sales and use taxes due on each eligible investment project. Deferral is limited only to investment in qualified buildings, machinery, and equipment as defined in this rule. Thus, sales and use taxes cannot be deferred on items which do not become part of the qualified buildings, machinery, and equipment.

The tax deferral certificate shall be used in a manner similar to that of a resale certificate as set forth in WAC 458-20-102. The certificate holder shall provide its vendors with a copy of the tax deferral certificate at the time goods or services are purchased. The seller or

vendor shall be relieved of the responsibility for collection of the sales or use tax upon presentation of the certificate. The seller or vendor shall retain a copy of the certificate as part of its permanent records. A blanket certificate may be provided by the certificate holder and accepted by the seller covering all such purchases relative to the eligible project. The seller or vendor is liable for reporting business and occupation tax on all deferral sales.

V. AUDIT PROCEDURES

The certificate holder shall notify the department in writing when the construction project is operationally complete. Upon receipt of such notification or other information, the department shall conduct a final audit of the investment project. The certificate holder shall open its books and records to the department and make available the final cost figures for the investment project. The department may request reasonable supporting documentation and other proof to justify the final cost of the project.

Upon completion of the audit the department shall certify the amount of sales and use taxes subject to deferral and the date on which the project was operationally complete. The recipient shall be notified in writing of the total amount of deferred taxes, the date(s) upon which the deferred taxes shall be paid, and any reports required to be submitted in the subsequent years. If the department disallows all or any portion of the amount of sale and use taxes requested for deferral, the recipient may seek administrative review of the department's action pursuant to the provisions of WAC 458-20-100, within twenty days from the date of the notice of disallowance.

The deferral is allowable only in respect to investment in the construction of a new plant complex used in manufacturing or research and development activities, as defined above. Where a plant complex is used partly for manufacturing or research and development purposes and partly for purposes which do not qualify for deferral under this rule and it is not possible to identify the non-qualifying items through separate accounting, the applicable tax deferral shall be determined by apportionment according to the ratio which the construction cost per square foot of that portion of the plant complex directly used for manufacturing purposes bears to the construction cost per square foot of the total plant complex.

The amount of tax deferral allowable for leased equipment shall be calculated upon that amount of the consideration paid by the lessee/recipient to the lessor:

(1) Over the initial term of the lease, excluding any period of extension or option to renew, where the lease term ends on or before the last date for repayment of the deferred taxes; or

(2) Over that portion of the lease term to the last date for repayment of deferred taxes as provided hereinafter, where the lease term, excluding any period of extension or option to renew extends beyond such repayment date.

After that date the lessee/recipient shall pay the appropriate sales tax to the lessor for the remaining term of the lease.

No taxes may be deferred under this rule prior to June 14, 1985. No applications for deferral of taxes will be accepted after June 30, 1986, nor will sales or use tax deferral certificates be issued after August 29, 1986. A certificate holder must commence construction of the investment project within one hundred eighty days of receiving approval from the department and issuance of the tax deferral certificate but no later than December 31, 1986.

VI. REPORTING AND MONITORING PROCEDURE

An applicant must provide the department with the estimated cost of the investment project at the time the application is made. The applicant shall also provide information relative to the number of jobs contemplated to be created by the project.

The department and the department of trade and economic development shall jointly make two reports to the legislature about the effect of this deferral law on new manufacturing and research and development activities and projects in Washington. The report shall contain information concerning the number of deferral certificates granted, the amount of state and local sales and use taxes deferred, the number of jobs created, and other information useful in measuring such effects. The departments shall submit their joint reports to the legislature by January 1, 1986 and January 1, 1987.

Any recipient of a sales and use tax deferral may be asked to submit reports to the department or department of trade and economic development during any period of time the recipient is receiving benefits under this deferral law. The report shall be made to the department in a form and manner prescribed by the department. The recipient may be asked to report information regarding the actual average employment related to the project, the actual wages of the employees related to the project, and any other information required by the department. If the recipient fails to submit a report, the department may not impose any penalties or sanctions against the recipient.

VII. PAYMENT PROCEDURES

The recipient of sales and use tax deferral under this regulation shall begin paying the deferred taxes in the third year after the date certified by the department as the date on which the construction project was operationally complete. The first payment will be due on December 31st of the third calendar year after such certified date, with subsequent annual payments due on December 31st of the following four years, with amounts of payment scheduled as follows:

Repayment Year	Percentage of Deferred Tax Repaid
1	10%
2	15%
3	20%
4	25%
5	30%

The department may authorize an accelerated repayment schedule upon request of the recipient. Interest

shall not be charged on any taxes deferred under this program during the period of deferral, although other penalties and interest applicable to delinquent excise taxes may be assessed and imposed for any delinquent payments during the repayment period pursuant to chapter 82.32 RCW. The debt for deferred taxes shall not be extinguished by insolvency or other failure of the recipient nor shall the debt for the deferred taxes be extinguished by the sale, exchange, or other disposition of the recipient's business. Any person who becomes a successor (see WAC 458-20-216) to such investment project shall be liable for the full amount of any unpaid, deferred taxes under the same terms and conditions as the original recipient. [Statutory Authority: RCW 82.32.300. 85-21-013 (Order ET 85-5), § 458-20-24002, filed 10/7/85.]

WAC 458-20-244 Food products. RCW 82.08.0293 and 82.12.0293 exempt certain food products for human consumption away from the retailer's premises from retail sales tax and use tax. There is no food products exemption for business and occupation tax. The effective date of these exemptions is July 1, 1983. The word "tax" as used hereafter in this rule means retail sales tax. "Food products" include generally those products normally ingested by humans for nourishment; but the term excludes seeds, seedlings, trees, and the like, for home gardens, as well as breeding stock of animals, birds, insects, and other animate creatures.

The law exempts most, but not all, food products from tax, but even the food products qualified for exemption are made subject to tax by the law if any one of the following circumstances is present:

(a) The food products are furnished, prepared, or served for consumption at tables, chairs, or counters or from trays, glasses, dishes, or other tableware whether provided by the seller or by a person with whom the retailer contracts to furnish, prepare, or serve food products to others, except for food products furnished as meals (i) under a state administered nutrition program for the aged as provided for in the Older Americans Act (PL 95-478 Title III) and RCW 74.38.040(6) or (ii) which are provided to senior citizens, disabled persons, or low-income persons by a not-for-profit organization organized under chapter 24.03 or 24.12 RCW;

OR,

(b) The food products are ordinarily sold for immediate consumption on or near a location at which parking facilities are provided primarily for the use of patrons in consuming the products purchased at the location. Where such facilities are provided the tax applies even if the food products are sold on a "take out" or "to go" order and it is immaterial that the products are actually packaged or wrapped and that they are in fact taken from the premises of the retailer;

OR,

(c) The food products are sold for consumption within a place (except national or state parks or monuments), the entrance to which is subject to an admission charge.

But, even if the admission-charged place is a national or state park or monument such that the admission charge does not negate the exemption, the tax will apply if either circumstances (a) or (b) above are present.

VENDORS WHO ARE REQUIRED TO COLLECT TAX

(1) Sales of food products are subject to tax when sold by cafes, caterers, restaurants, pizza parlors, food drive-ins, and businesses which are operated in such a way as to invite or permit consumption of the food at or near the premises where the food is sold. This circumstance is presumed to occur where customers are provided facilities for immediate consumption of food sold, such as tables, chairs, or counters; trays, glasses, dishes, or tableware (whether reusable or not); or a nearby parking area available for immediate use of customers in consuming the food. It is the intent of the law that tax be charged by retailers who sell food products ready for consumption at or near the premises of the vendor by furnishing cups, spoons, straws, or the like to facilitate immediate consumption. If such facilities are provided the tax applies even though the food is sold, packaged, or wrapped "to go" and even if the food is in fact removed from the premises of the retailer and is consumed elsewhere. The test is not where the food is actually consumed but whether the customer is provided any of the described facilities for consumption of the food. In the case of vending machine operators, the sale of food products is subject to tax. The selling price of food products sold by vending machine operators is fifty-seven percent of the gross receipts, except for hot prepared food products for which the selling price is one hundred percent of the gross receipts. Vending machine operators are not required to collect the tax from buyers or to separately state the tax.

(2) Sales by theaters, fair grounds concessions, athletic arena concessions, and any other businesses selling food products within a place to which an admission price is charged are taxable. The only exceptions as to admission-charged areas are national or state parks or monuments, but even sales of food products within such state or national areas are taxable if customers are provided facilities for consumption as described in paragraph (1).

EXEMPT AND TAXABLE SALES BY GROCERS

The following are lists of exempt and taxable items normally sold by grocery stores, supermarkets, and similar businesses. The examples are meant to be illustrative and are not all inclusive.

The exempt products listed are exempt when sold for off premises consumption but are taxable if sold for immediate consumption as described in paragraph (1) above.

EXEMPT IF CONSUMPTION FACILITIES NOT PROVIDED

Baby foods	Marshmallows
Bakery products	Mayonnaise
Baking soda	Meat, meat products
Bouillon cubes	Milk, milk products
Candy	Mustard
Cereal products	Noncarbonated soft drinks

Chocolate	Nuts
Cocoa	Oleomargarine
Coffee and coffee substitutes	Olives, olive oil
Condiments	Peanut butter
Crackers	Popcorn
*Diet food	Popsicles
Eggs, egg products	Potato chips
Extracts and flavoring for food	Powdered drink mixes
Fish, fish products	Sandwich spreads
Flour	Sauces
Food coloring	Sherbet
Frozen foods	Shortening
Fruit, fruit products	Soup
Gelatin	Sugar, sugar products, sugar substitutes
*Health foods	Syrups
Honey	Tea
Ice cream, toppings	Vegetables, vegetable products
Jam, jelly, jello	Yeast

The products listed as taxable are subject to tax however sold or prepared.

SPECIFIC CLASSES OF ITEMS TAXABLE IN ALL CASES

Alcoholic beverages	First aid products
Aspirin	Ice, bottled Water (mineral or otherwise)
Beer or wine making supplies	Mouthwashes
Calcium tablets	Nonedible cake decorations
Carbonated beverages	Nonprescription medicines
Chewing tobacco	Patent medicines
Cod liver oil	Pet food and supplies
Cough medicines (liquid or lozenge)	Seeds and plants for gardens
*Dietary supplements or adjuncts	Tonics, vitamins
	Toothpaste

* NOTE: Sales of dietary supplements which are subject to regulation by the United States Federal Drug Administration are subject to tax. Regulated dietary supplements are those preparations which provide fifty percent or more of the United States Recommended Daily Allowance (U.S. RDA) of essential vitamins and minerals per serving.

Health foods or dietary preparations containing less than fifty percent of U.S. RDAs per serving may be sold tax exempt as food and FDA regulations (21 CFR, chapter I, Part 80) adopted October 12, 1976, effective January 1, 1978, prohibit any claim that such preparations are "dietary supplements." Dietary supplements do not include any food in its raw or natural state, which means that nothing has been done to the product, other than superficial treatment (such as washing its surface), to change the product physically or chemically before marketing.

Dietary adjuncts are vitamin/mineral preparations taken to meet special vitamin or mineral needs occasioned by drug therapy. Dietary adjuncts are not tax exempt food products.

Retailers of food products are required to keep adequate records to demonstrate that any sales claimed tax exempt in fact qualify for exemption under this rule and the law.

COMBINATION BUSINESS

Persons operating a combination of two businesses at one location, one of which provides facilities for consumption on the premises (see paragraph (1), "Vendors who are required to collect tax"), such as a lunch counter along with a grocery store or a cafe along with a bakery, are required to keep their accounting records and sales receipts segregated between the two businesses. If the two businesses are commingled in accounting, all sales will be deemed subject to tax.

COMBINATION PACKAGES

When a package consists of both food and nonfood products, such as a holiday or picnic basket containing beer and pretzels, cups or glasses containing food items, or carbonated beverages along with cheese and crackers, the food portion may be tax exempt if its price is stated separately; if the price is a lump sum, the tax applies to the entire price.

However, promotional give-aways of nonfood items to enhance food sales, such as coffee sold in a decorative apothecary container or cheese sold in a serving dish are not taxable and are not deemed combination packages where it is clear that the container or dish is simply a gift furnished as a sales inducement for the food. In the same way, promotional give-aways of food items as an inducement for sales of nonfood items are not exempt (e.g., the sale of fancy crystal ware containing candy or nuts is fully subject to sales tax).

COMMISSARIES OR GROCERY SHOPS IN INSTITUTIONS OR OTHER RESTRICTED (NOT OPEN TO THE PUBLIC) AREAS

Food products sold by commissaries which restrict sales generally to residents, inmates, or a similarly limited group of customers are tax exempt if the food products are for consumption away from the general area reserved for merchandizing such products.

OTHER FOOD VENDORS

(1) Restaurants and transportation companies (e.g., air, rail, water), and businesses furnishing meals to employees, see WAC 458-20-119.

(2) Hotels, motels, boarding or rooming houses, resorts, and trailer camps, see WAC 458-20-166.

(3) Religious, charitable, benevolent, and nonprofit service organizations, see WAC 458-20-169.

(4) Certain persons, groups, or institutions purchase food products for purposes of serving meals to individuals and historically have been required to pay sales tax as consumers on such purchases because of a unique relationship between the food purchases and the nature of the services rendered by such groups. Food sales taxed in this way were the following:

(a) Furnishing of meals by hospitals, rest homes, sanitariums, and similar institutions to patients as a part of the service rendered in the conduct of such institutions.

(b) Serving of meals to members by fraternities, societies, and other similar groups who reside in one place and jointly share the expenses of the household including expenses of meals provided by them.

(c) Providing of meals by public schools, high schools, colleges, universities, or private schools operating lunch rooms, cafeterias, or dining rooms for the exclusive purpose of providing students and faculty with meals as a part of the educational program.

(d) Providing of meals by guest ranches or summer camps which, in addition to supplying meals and lodging, offer special recreation facilities and instruction in sports, boating, riding, outdoor living, etc., and which make an unsegregated charge for meals, lodging, and

services, and report such charges under the service classification as provided by WAC 458-20-166.

Since purchase of food products in any of these four situations has been subject to sales tax in the past, the food products exemption applies to these purchases of food products for human consumption. However, sales of meals by such groups in circumstances other than furnishing them in connection with services in the four situations described above are governed by WAC 458-20-119. Further, when such groups do not provide their own meals, but the meals are purchased from caterers or concessionaires, the caterers or concessionaires are making retail sales subject to the tax.

USE TAX

All of the foregoing provisions of this rule dealing with sales tax are equally applicable with respect to the use tax of chapter 82.12 RCW.

Effective July 1, 1983. [Statutory Authority: RCW 82.32.300. 86-02-039 (Order ET 85-8), § 458-20-244, filed 12/31/85; 83-17-099 (Order ET 83-6), § 458-20-244, filed 8/23/83; 82-16-061 (Order ET 82-7), § 458-20-244, filed 7/30/82. Statutory Authority: RCW 82.01.060(2) and 82.32.300. 78-05-041 (Order ET 78-1), § 458-20-244 (Rule 244), filed 4/21/78, effective 7/1/78.]

WAC 458-20-246 Sales to or through a direct seller's representative. Under RCW 82.04.423, the business and occupation tax does not apply to any out-of-state person in respect to the gross income derived from the business of making sales in this state of "consumer products" at wholesale or retail to or through a "direct seller's representative," subject to certain requirements explained more fully below. The effective date of this exemption is August 23, 1983. For an outline of the tax liability of persons making sales of goods which originate in other states to customers in Washington, other than sales to or through a "direct seller's representative," see WAC 458-20-193B.

DEFINITIONS

For purposes of the exemption explained herein, the following definitions shall apply:

The term "consumer product" means any article of tangible personal property, or component part thereof, of the type sold for personal use or enjoyment. The term includes only those kinds of items of tangible personal property which are customarily sold at stores, shops, and retail outlets open to the public in general. It includes such things as home furnishings, clothing, personal effects, household goods, food products, and similar items purchased for personal use or consumption. The term does not include commercial equipment, manufacturing items, industrial use products, and the like, including component parts thereof. However, if a product is primarily used for personal use or enjoyment, it remains a "consumer product" within this definition notwithstanding that a portion of the product's distribution is for commercial, industrial, or manufacturing purposes.

A "direct seller's representative" is a person who (a) buys "consumer products" on a buy-sell basis or a deposit-commission basis for resale, by the buyer or any other person, in the home or other than in a permanent retail establishment or (b) sells or solicits the sale of, "consumer products" in the home or other than in a permanent retail establishment. In order to be considered a "direct seller's representative" a person must also show that:

1. Substantially all of the remuneration paid, whether or not paid in cash, for the performance of services is directly related to sales or other output, including the performance of services, rather than the number of hours worked; and

2. The services performed are performed pursuant to a written contract between such person and the person for whom the services are performed and such contract provides that the person will not be treated as an employee with respect to such services for federal tax purposes.

BUSINESS AND OCCUPATION TAX

WHOLESALE AND RETAILING. The business and occupation tax does not apply to an out-of-state seller making wholesale or retail sales to or through a "direct seller's representative." The out-of-state seller must show that it is represented in this state by a "direct seller's representative," as defined above. In addition, the out-of-state seller must also show that it:

1. Does not own or lease real property within this state;

2. Does not regularly maintain a stock of tangible personal property in this state for sale in the ordinary course of business;

3. Is not a corporation incorporated under the laws of this state; and

4. Makes sales in this state exclusively to or through a "direct seller's representative."

Thus, a representative who solicits sales of "consumer products" in this state, other than in a permanent retail establishment, and also meets the other requirements of the law as set forth above, qualifies as a "direct seller's representative." If the out-of-state seller and the in-state representative can factually establish compliance with all of the above listed requirements, the out-of-state seller is exempt from business and occupation tax.

The exemption is available only where an out-of-state seller is present in this state and represented exclusively by a "direct seller's representative." If an out-of-state seller makes wholesale or retail sales of "consumer products" in Washington to or through a "direct seller's representative" and also has a branch office, local outlet, or other local place of business, or is represented by any other employee, agent, or other representative, no portion of the sales are exempt from business and occupation tax.

The business and occupation tax likewise applies to the gross income of a "direct seller's representative" who buys "consumer products" for resale and does in fact resell the products. The measure of the business and occupation tax is the gross proceeds of sales.

SERVICE. The law provides no similar business and occupation tax exemption with regard to the compensation paid to the "direct seller's representative." Thus, the representative will remain subject to the business and occupation tax on all commissions or other compensation earned.

SALES AND USE TAX

An out-of-state vendor is required to pay or collect and remit the tax imposed by chapter 82.08 or 82.12 RCW if the vendor regularly solicits or makes retail sales of "consumer products" in this state through a "direct seller's representative," as defined above, even though such sales are exempt from business and occupation tax pursuant to RCW 82.04.423.

Every person who engages in this state in the business of acting as a "direct seller's representative" for unregistered principals, and who receives compensation by reason of sales of "consumer products" of such principals for use in this state, is required to collect the use tax from purchasers, and remit the same to the department of revenue, in the manner and to the extent set forth in WAC 458-20-221. [Statutory Authority: RCW 82.32-.300. 84-24-028 (Order 84-3), § 458-20-246, filed 11/30/84.]

WAC 458-20-247 Trade-ins, selling price, sellers' tax measures. Initiative Measure No. 464, approved November 6, 1984 amended RCW 82.08.010(1), the statutory definition of "selling price," by excluding from that term the value of "trade-in property of like kind." The effective date of this exclusion is December 6, 1984. As a result, the retail sales tax measure on trade-in sales is reduced by the value of the property traded in. Thus, on and after the effective date, the value of "trade-in property" may be excluded from the measure of retail sales tax to be collected and reported by the seller who accepts the trade-in property as payment for new or used property sold. Actual delivery of the property to the buyer determines when the sale is made (see WAC 458-20-103). The initiative applies only to sales where the property is delivered to the purchaser on or after December 6, 1984.

Under RCW 82.08.010, as amended by the initiative, "the term 'selling price' means the consideration, whether money, credits, rights, or other property except trade-in property of like kind, expressed in terms of money, paid or delivered by a buyer to a seller, all without any deduction, on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discounts, delivery costs, taxes or any other expense whatsoever paid or accrued and without any deduction on account of losses." (Amendatory language underscored.)

DEFINITIONS

Unless otherwise stated, the terms "tax," "taxable," and "nontaxable," as used in this rule, refer to retail sales tax only.

The terms, "trade-in," "traded-in," and "property traded-in" have their ordinary and common meaning.

They mean property of like kind to that acquired in a retail sale which is applied, in whole or in part, toward the selling price.

The term "property of like kind" means articles of tangible property of the same generic classification. It refers to the class and kind of property, not to its grade or quality. The term includes all property within a general classification rather than within a specific category in the classification. Thus, as examples, it means furniture for furniture, motor vehicles for motor vehicles, licensed recreational land vehicles for licensed recreational land vehicles, appliances for appliances, auto parts for auto parts, audio/video equipment for audio/video equipment, and the like. These general classifications are determined by the nature of the property and its function or use. It may be that some kinds of property fit within more than one general classification. For example, a motor home is both a motor vehicle and a licensed recreational land vehicle. Thus, for purposes of this rule, a motor home may be taken as a trade-in on a travel trailer, truck, camper, or a truck with camper attached, and vice versa. Similarly, a travel trailer may be taken as trade-in on a motor home even though a travel trailer is not a motor vehicle; both are licensed recreational land vehicles. Conversely, a utility trailer may not be taken as trade-in on a travel trailer, for purposes of this rule, because a utility trailer is neither a motor vehicle nor a licensed recreational land vehicle. Similarly, a car may not be taken as trade-in on a camper and vice versa.

Under these definitions it is not required that a car be traded-in exclusively on another car in order to get the trade-in reduction of the tax measure. It could, as well, be traded-in as part payment for a truck, motorcycle, motor home, or any other qualifying motor vehicle. Similarly, a sofa for a recliner chair, a pistol for a rifle, a sailboat for a motorboat, or a gold chain for a wrist watch are the kinds of generic trade-in transfers which would qualify. However, the exclusion of the value of property traded-in does not include such things as a motorcycle for a boat, a diamond ring for a television set, a battery for lumber, or farm machinery (including tractors and self propelled combines) for a car.

VALUE OF PROPERTY TRADED-IN — The seller and buyer establish the value of property traded-in. However, the parties may not overstate the value of the property traded-in in order to artificially lower the amount of sales of use tax due. Absent proof of a higher value, the property traded-in must be determined by the fair market value of similar property of like quality, quantity, and age, sold or traded under comparable conditions. It is the substance of the actual sale and trade-in transaction which will control the retail sales tax measure, regardless of any subsequent accounting adjustments to the seller's inventory records or books of account.

RECORD KEEPING — RCW 82.32.070 requires every person liable for any tax to keep and preserve records from which true tax liability can be determined. Before any exclusion from the selling price for the value of property traded-in will be allowed, the property traded-

in must be specifically identified and clearly indicated as "trade-in," by model, serial number and year of manufacture where applicable, and the full trade-in value must be shown on the sales agreement or invoice given to the purchaser, with a copy retained in the seller's permanent sales records.

For example:

Less "trade-in" — 1983 G.E. Refrigerator/Freezer
Model No. GE-RF0001, Serial No. 0001, \$300.

ENCUMBERED PROPERTY TRADED-IN — Sellers are allowed to consider as nontaxable the value of property traded-in even though ownership of the property may be encumbered by a conditional sale, retail installment contract, or security interest; provided that, the property traded-in must be actually transferred to the seller of the new or used property for which it is traded-in.

CASUAL OR ISOLATED SALES — The retail sales tax applies to all casual or isolated retail sales made by any person who is engaged in business activity, that is, a person required to be registered and reporting tax to the state. Persons who are not engaged in business activity, i.e., private persons, are not required to be registered and are not required to collect sales tax on their casual or isolated sales (see WAC 458-20-106). Registered persons who make casual or isolated sales (e.g., a law firm which sells its law books) may reduce the taxable selling price by the value of the property traded-in. The same record keeping requirements apply as explained earlier in this rule.

RETAIL SERVICES — The exclusion of the value of property traded-in from the selling price tax measure applies only to sales involving tangible property traded-in for tangible property sold. It does not apply to any transactions involving services which have been statutorily included as "sales at retail" (see RCW 82.04.050). Thus, for example, a construction contractor may not accept part payment in tangible property to thereby reduce the sales tax measure of the construction contract selling price. Similarly, a seller of tangible personal property may not accept retail services as part payment to thereby reduce the selling price tax measure. Such transfers neither qualify as trade-in transfers of tangible property nor "in-kind" transfers.

TRADE-IN FOR RENTAL PROPERTY — Under RCW 82.04.050, rentals or leases of tangible personal property are "retail sales." The term "selling price" as amended by Initiative 464 is also the tax measure for such rentals and leases. Thus, where tangible property is traded-in as part payment for the rental or lease of property of like kind (e.g., a used computer against the rental of a new one) the sales tax will apply to all payments after the value of the property traded-in has been depleted or consumed and the lessor of the property actually begins making charges for the lease or rental of tangible property.

When tangible personal property is rented or leased, the "selling price" includes all charges to the renter or lessee for the use of the property rented or leased, including charges designated as insurance, interest and other costs recovered stated separately from the regular

rental fee. When tangible personal property is rented or leased under circumstances that the consideration paid does not represent a reasonable rental for the use of the articles so rented or leased, the "selling price" must be determined as nearly as possible according to the value of such use at the places of use of similar products of like quality and character. In cases of doubt, all of the pertinent facts should be submitted to the department of revenue for an advisory determination.

REAL PROPERTY TRANSFERS — The trade-in exclusion does not apply to sales of real property. It also does not apply where real property is traded-in for tangible personal property.

BUSINESS AND OCCUPATION TAX

The trade-in exclusion affects only the measure of retail sales tax to be collected and paid. There is no trade-in exclusion for business and occupation tax. Thus, the gross receipts to be reported under the retailing classification of business and occupation tax continues to be the total value proceeding or accruing from the sale, including the value of property traded-in.

RCW 82.04.070 provides, "The term 'gross proceeds of sales' means the value proceeding or accruing from the sale of tangible personal property . . . without any deduction on account of the cost of property sold, the cost of materials used, labor costs, interest, discount paid, delivery costs, taxes or any other expense whatsoever paid or accrued and without any deduction on account of losses."

Also, the terms "selling price" and "gross proceeds of sales" include items of cost which are the direct obligation of the seller but which the seller may invoice separately to the purchaser. Examples of such costs are the cost of the contractor's performance bond, the cost of city or state business and occupation taxes of public utility taxes, the cost of insurance protecting the seller and the cost of freight in. The selling price can be payable in money or otherwise. If it is payable in whole or in part in property, each party is a seller of the property being transferred.

USE TAX

RCW 82.12.010 defines the measure of the use tax as the "value of the article used." Under certain circumstances that value is determined by the "selling price" of the article or property used. Also, this use tax statute provides that the meaning of words in chapter 82.08 RCW (retail sales tax) shall have full force as well with respect to the use tax chapter. Thus, the Initiative 464 amendment of the definition of "selling price" will apply equally for use tax purposes. Therefore, the measure of the use tax for tangible property upon which no retail sales tax has been paid (e.g., if it were purchased in another state with no sales tax) is the same "selling price" as defined for retail sales tax purposes. In such cases the value of the property traded-in will be excluded from the use tax measure.

The consumer-user, or any out-of-state seller who is registered in this state and collects this state's use tax,

must retain the sales records reflecting property "traded-in," as explained earlier in this rule.

PREPARING TAX RETURNS

The gross amounts reported under column 2 on the combined excise tax return should be the same amounts under the retailing business and occupation tax (line 18) and the retail sales tax (line 19). The reduction of the "selling price" tax measure for property traded-in should be reflected as a deduction only under the retail sales tax (column 3, line 19). Until return forms are amended, this sales tax deduction should be shown on the back side of the form (line 19) under "other deductions" and explained as "traded-in sales." [Statutory Authority: RCW 82.32.300. 85-02-006 (Order ET 84-6), § 458-20-247, filed 12/21/84.]

Chapter 458-24 WAC

UNFAIR CIGARETTE SALES BELOW COST ACT RULES AND REGULATIONS

WAC

- 458-24-080 Cigarette wholesalers and retailers; determination of cost.
458-24-090 Basic cost of cigarettes—How calculated.

WAC 458-24-080 Cigarette wholesalers and retailers; determination of cost. (1) RCW 19.91.020(1) forbids sales of cigarettes by wholesalers at less than cost. The law specifies that the "cost to the wholesaler" is to be computed by adding the "basic cost of cigarettes" (RCW 19.91.010(8) and WAC 458-24-090) to the "cost of doing business by the wholesaler" (RCW 19.91.010(9)). It shall be presumed that the "cost of doing business by the wholesaler" is at least four percent of the "basic cost of cigarettes" to the wholesaler. If the wholesaler performs or pays for the cartage to the retail outlet, it shall be presumed that the cartage costs are at least one-half of one percent of the "basic cost of cigarettes" to the wholesaler and shall be added to the "cost of doing business."

(2) If the wholesaler of cigarettes believes that its cost of doing business is less than four percent of the "basic cost of cigarettes" to the wholesaler or that its cost of cartage to the retail outlet is less than one-half of one percent of the "basic cost of cigarettes" to the wholesaler, the wholesaler must file a letter with the department of revenue stating its intention to sell cigarettes at a cost less than that presumed under RCW 19.91.010(9) and setting forth proof of a lesser cost of doing business.

(3) RCW 19.91.020 (1) and (2) forbid sales of cigarettes by retailers at less than cost. The law specifies that the "cost to the retailer" is to be computed by adding the "basic cost of cigarettes" (RCW 19.91.010(8) and WAC 458-24-090) to the "cost of doing business by the retailer" (RCW 19.91.010(10)). Any retailer who, in connection with its purchase, receives cash discounts ordinarily allowed upon purchases by a wholesaler shall, in determining "cost to the retailer," add the "cost of doing business by the wholesaler" to the "basic [cost of cigarettes" to said retailer, as well as the "cost

of doing business by the retailer." It shall be presumed that the "cost of doing business by the retailer" is at least twelve and one-half percent of the "basic cost of cigarettes" to the retailer. In the case of a retailer who receives the cash discounts ordinarily allowed upon purchases by a wholesaler, the "cost of doing business by the retailer" shall be presumed to be twelve and one-half percent of the sum of the "basic cost of cigarettes" and the "cost of doing business by the wholesaler."

(4) If the retailer of cigarettes believes that its cost of doing business is less than twelve and one-half percent of the "basic cost of cigarettes" to the retailer or that its cost of doing business is less than twelve and one-half percent of the sum of the "basic cost of cigarettes" and the "cost of doing business by the wholesaler" (where the retailer [receives] [received] the cash discounts ordinarily allowed upon purchases by a wholesaler), the retailer must file a letter with the department of revenue stating its intention to sell cigarettes at a cost less than that presumed under RCW 19.91.010(10) and setting forth proof of a lesser cost of doing business.

(5) The department of revenue shall examine the wholesaler's or retailer's proof and verify its accuracy. The verification may include review of the wholesaler's or retailer's accounting records to determine the "cost of doing business by the wholesaler" as defined by RCW 19.91.010(9) or "cost of doing business by the retailer" as defined by RCW 19.91.010(10).

(6) If the department finds that the wholesaler or retailer has presented satisfactory proof of a lesser cost of doing business, it shall issue a letter of approval stating that prices may be lowered in accordance with the letter.

(7) If the department finds that the wholesaler or retailer has not presented satisfactory proof of a lesser cost of doing business, it shall issue a letter denying the wholesaler's or retailer's request for lower costs and stating the reasons therefore.

(8) The wholesaler or retailer may petition the department of revenue in writing for a review of the denial of the use of a lesser cost. Petitions should be addressed: State of Washington, Department of Revenue, Interpretation and Appeals Division, Olympia, Washington 98504.

(9) The petition must be received by the department of revenue within twenty days after the issuance of the denial letter. An extension of thirty days will be granted if additional time is required for preparation of the petition and such extension is requested prior to expiration of the twenty-day period. If no petition is filed within these time periods, the department's denial letter shall become final.

(10) The department shall grant a conference for review of all denial letters if the wholesaler or retailer has filed a timely petition. Such conferences will be conducted by the director of the interpretation and appeals division. All conferences will be conducted informally and will be held at the departmental offices in Olympia.

(11) The wholesaler or retailer shall receive written notice of the assistant director's determination. The determination shall represent the official position of the department of revenue and shall be binding upon the

wholesaler or retailer. [Statutory Authority: RCW 19.91.180(1), 85-01-061 (Order ET 84-5), § 458-24-080, filed 12/17/84. Statutory Authority: RCW 82.32-300, 82-24-028 (Order ET 82-11), § 458-24-080, filed 11/23/82.]

Reviser's note: RCW 34.04.058 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 458-24-090 Basic cost of cigarettes--How calculated. The term "basic cost of cigarettes," as used in RCW 19.91.010 and amended by chapter 173, laws of 1984, means the invoice price of cigarettes to the retailer or wholesaler, as the case may be, or the replacement cost of cigarettes to the retailer or wholesaler, as the case may be, in the quantity last purchased, whichever is lower, to which must be added the full face value of any stamps which may be required by any cigarette tax act of this state and by ordinance of any municipality thereof, presently in effect or hereafter enacted, if not already included by the manufacturer in its price list.

The law further provides that in computing the "basic cost of cigarettes" a wholesaler who actually receives a manufacturer's cash discount may, at the discretion of the wholesaler, pass along all or any portion of the discount to the retailer.

The term "cash discount" under the Unfair Cigarette Sales Below Cost Act (chapter 19.91 RCW) and these regulations shall be given the same definition as that provided in RCW 82.04.160, which is defined to mean a deduction from the invoice price of goods or charge for services allowed if the bill is paid on or before a specific date. For purposes of these rules, cash discount includes any anticipatory discount, anticipation allowance, anticipation discount, or any similar discount or allowance. [Statutory Authority: RCW 19.91.180(1), 85-01-061 (Order ET 84-5), § 458-24-090, filed 12/17/84.]

Chapter 458-40 WAC

TAXATION OF TIMBER AND FOREST LANDS

WAC

458-40-18600	General.
458-40-18700	Definitions.
458-40-18701	Repealed.
458-40-18702	Repealed.
458-40-18703	Repealed.
458-40-18704	Stumpage value areas and hauling distance zone—Map.
458-40-18705	Repealed.
458-40-18706	Timber quality code numbers—Tables.
458-40-18711	Stumpage values—Tables for January 1 through June 30, 1984.
458-40-18713	Stumpage values—Tables for July 1 through December 31, 1984.
458-40-18714	Harvester adjustments—Tables for July 1 through December 31, 1984.
458-40-18715	Stumpage values—Tables for January 1 through June 30, 1985.
458-40-18716	Harvester adjustments—Tables for January 1 through June 30, 1985.
458-40-18717	Stumpage values—Tables for July 1 through December 31, 1985.

- 458-40-18718 Harvester adjustments—Tables for July 1 through December 31, 1985.
 458-40-18719 Stumpage values—Tables for January 1 through June 30, 1986.
 458-40-18720 Harvester adjustments—Tables for January 1 through June 30, 1986.
 458-40-19005 Timber excise tax credit for personal property tax.
 458-40-19109 Forest land values—1985.
 458-40-19110 Forest land values—1986.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 458-40-18701 Small harvester option. [Statutory Authority: RCW 82.01.060, 84.33.071, 84.33.073 and 84.33.074. 84-02-041 (Order FT-83-7), § 458-40-18701, filed 12/30/83.] Repealed by 84-14-049 (Order FT-84-4), filed 6/29/84. Statutory Authority: RCW 82.01.060 and 1984 c 204.
 458-40-18702 Definitions for small harvester option. [Statutory Authority: RCW 82.01.060, 84.33.071, 84.33.073 and 84.33.074. 84-02-041 (Order FT-83-7), § 458-40-18702, filed 12/30/83.] Repealed by 84-14-049 (Order FT-84-4), filed 6/29/84. Statutory Authority: RCW 82.01.060 and 1984 c 204.
 458-40-18703 Taxable stumpage value for small harvester option. [Statutory Authority: RCW 82.01.060, 84.33.071, 84.33.073 and 84.33.074. 84-02-041 (Order FT-83-7), § 458-40-18703, filed 12/30/83.] Repealed by 84-14-049 (Order FT-84-4), filed 6/29/84. Statutory Authority: RCW 82.01.060 and 1984 c 204.
 458-40-18705 Hauling distance zones—Maps. [Statutory Authority: RCW 82.01.060 and 1984 c 204. 84-14-049 (Order FT-84-4), § 458-40-18705, filed 6/29/84. Statutory Authority: RCW 82.01.060, 84.33.071, 84.33.073 and 84.33.074. 84-02-041 (Order FT-83-7), § 458-40-18705, filed 12/30/83.] Repealed by 85-02-026 (Order FT-84-7), filed 12/28/84. Statutory Authority: Chapter 84.33 RCW.

WAC 458-40-18600 General. Pursuant to the duty imposed by chapter 84.33 RCW, to prepare tables of stumpage values for each species of timber and consistent with the duty to make allowances for age, size, quality, costs of removal, accessibility to point of conversion, market conditions, and all other relevant factors, the department has promulgated rules and prepared tables which prescribe stumpage values and make allowances for the relevant factors.

Pursuant to the duty imposed by RCW 84.33.073 and 84.33.074 to establish an elective manner for the small harvester to report his forest excise tax, the department has promulgated rules providing for filing an optional short form forest excise tax return.

These rules shall not be construed to affect any public timber contracts in effect prior to August 1, 1982. [Statutory Authority: Chapter 84.33 RCW. 85-02-026 (Order FT-84-7), § 458-40-18600, filed 12/28/84. Statutory Authority: RCW 82.01.060 and 1984 c 204. 84-14-049 (Order FT-84-4), § 458-40-18600, filed 6/29/84. Statutory Authority: RCW 82.01.060, 84.33.071, 84.33.073 and 84.33.074. 84-02-041 (Order FT-83-7), § 458-40-18600, filed 12/30/83. Statutory Authority: RCW 84.33.071. 83-14-039 and 83-14-040 (Emergency Order FT-83-4 and Permanent Order FT-83-3), § 458-40-18600, filed 6/30/83, effective 6/30/83. Statutory Authority: RCW 82.01.060, 84.33.071, 84.33.073 and 84.33.074. 83-02-033 (Order FT-

82-7), § 458-40-18600, filed 12/30/82. Statutory Authority: RCW 82.01.060 and 84.33.071. 82-14-037 (Order FT-82-3), § 458-40-18600, filed 6/30/82; 82-02-035 (Order FT-81-4), § 458-40-18600, filed 12/31/81; 81-14-047 (Order FT 81-2), § 458-40-18600, filed 6/30/81; 81-02-007 (Order FT 80-6), § 458-40-18600, filed 12/30/80; 80-08-042 and 80-08-041 (Emergency Order FT 80-1 and Permanent Order FT 80-2), § 458-40-18600, filed 6/30/80, effective 6/30/80; 80-01-091 (Order FT 79-40), § 458-40-18600, filed 12/31/79; Order 76-5, § 458-40-18600, filed 12/31/76.]

WAC 458-40-18700 Definitions. (1) **Acceptable log scaling rule.** The acceptable log scaling rule shall be the Scribner Decimal C Log Scale Rule or other prevalent measuring practice, provided that such other prevalent measuring practice shall be submitted to the department for approval prior to the time of harvest.

(2) **Applicable rate of tax.** The applicable rate of tax shall be that excise tax rate in effect at the time the timber is harvested.

(3) **Approved log scaling and grading rules.**

(a) West of the Cascade summit—Approved scaling and grading rule. With respect to the reporting of timber harvested from private or public lands in areas west of the Cascade summit, which areas are designated as stumpage value areas 1, 2, 3, 4, and 5 in the stumpage value area map of WAC 458-40-18704, the methods and procedures published by the Columbia River Log Scaling and Grading Bureau, Grays Harbor Log Scaling and Grading Bureau, and the Puget Sound Log Scaling and Grading Bureau and published as the "Official Log Scaling and Grading Rules" are approved by the department for use in those areas.

(b) East of the Cascade summit—Approved scaling rule. With respect to the reporting of timber harvested from private or public lands in areas east of the Cascade summit, which areas are designated as stumpage value areas 6, 7, 8, 9, and 10 in the stumpage value area map of WAC 458-40-18704, the methods and procedures published by the United States Forest Service under the title "National Forest Log Scaling Handbook" procedures are approved by the department for use in those areas. This log scaling handbook is published under the title FSH 2409-11 National Forest Log Scaling Handbook, Forest Service, United States Department of Agriculture.

(c) East of the Cascade summit—Established grading rule. Because the National Forest Log Scaling Handbook does not contain grading rules, a separate computation shall be made to arrive at the proper grade for purposes of determining the timber quality code number for timber harvested east of the Cascade summit. The grade for quality classification purposes of the timber harvested from private or public land east of the Cascade summit shall be determined by the number of sawable sixteen foot logs per thousand feet net Scribner Decimal C Log Scale. The computation shall be made under the following three-step procedure:

(i) Step 1. The highest possible total number of sawable sixteen foot logs which could be recovered shall be determined by dividing the sum total of length of all sawable logs harvested by the number sixteen.

(ii) Step 2. The average net volume per sixteen foot recoverable log shall be determined by dividing the total volume harvested (net log scale) by the total number of sixteen foot logs as determined in Step 1.

(iii) Step 3. The total number of logs per thousand board feet (MBF) shall be determined by dividing one thousand by the average net volume as determined in step 2.

(4) **Codominant trees.** Trees whose crowns form the general level of the crown cover and receive full light from above, but comparatively little light from the sides.

(5) **Competitive bidding process.** The competitive bidding process means the offering of timber which is advertised to the general public for sale at a public auction under terms wherein all qualified potential buyers have an equal opportunity to bid on the sale, and the sale is awarded to the highest qualified bidder. For purposes of this chapter the competitive bidding process includes making available to the general public permits for the removal of forest products.

(6) **Department.** Department, for the purposes of this chapter, shall mean the department of revenue of the state of Washington.

(7) **Dominant trees.** Trees whose crowns are higher than the general level of the canopy and who receive full light from the sides as well as from above.

(8) **Forest excise tax payment.** Every person who is engaged in business as a harvester of timber from privately or publicly owned land shall pay a forest excise tax which shall be equal to the taxable stumpage value of timber harvested for sale or for commercial or industrial use and multiplied by the applicable rate of tax as provided in chapter 84.33 RCW.

(9) **Harvester.** Harvester shall mean every person who from his own land or from land of another under a right or license granted by lease or contract, either directly or by contracting with others, fells, cuts, or takes timber for sale or for commercial or industrial use. It does not include persons performing under contract the necessary labor or mechanical services for a harvester.

(10) **Harvested timber--When determined.** Timber shall be considered harvested at the time when in the ordinary course of business the quantity thereof by species is first definitely determined.

(11) **Harvesting and marketing costs.** Harvesting and marketing costs means only those costs directly associated with harvesting the timber from the land and delivering it to the buyer and may include the costs of disposing of logging residues but does not include any other costs which are not directly and exclusively related to harvesting and marketing of the timber such as costs of permanent roads or costs of reforesting the land following harvest.

(12) **Harvest type.** Harvest type shall be a term referring to the grouping of harvested timber by age and type of harvest and shall include and is limited to the following harvest types:

(a) **Merchantable sawtimber, all ages**—The removal of timber east of the Cascade summit shall be reported as merchantable sawtimber, all ages, unless the harvest type comes within the definition in this chapter of special forest products.

(b) **Old growth.** The removal of any timber from a harvest unit that is 100 years of age or older and west of the Cascade summit shall be reported as old growth unless the harvest type comes within the definition in this chapter of special forest products.

(c) **Special forest products.** The removal of Christmas trees (except as provided in RCW 84.33.170), shake blocks and boards, and posts and other western redcedar products shall be reported as special forest products.

(d) **Thinning.** The removal of timber from a harvest unit meeting all the following conditions:

(i) Harvest unit located west of the Cascade summit;

(ii) Timber that is less than 100 years of age;

(iii) The total merchantable volume which is removed is less than forty percent of the total merchantable volume of the harvest unit prior to harvest;

(iv) Not more than forty percent of the total volume removed is from the dominant and codominant trees;

(v) The trees removed in the harvest operation shall be distributed over the entire harvest unit.

(e) **Young growth.** The removal of any timber from a harvest unit that is less than 100 years of age and does not meet the definition of thinning in (d) of this subsection and west of the Cascade summit shall be reported as young growth unless the harvest type comes within the definition in this chapter of special forest products or within the definition of thinning.

(13) **Harvest unit.** A harvest unit is a harvest area having the same forest excise tax permit number, stumpage value area, hauling distance zone, harvest type, harvest adjustments and harvester. A harvest unit may include more than one section.

(14) **Lump sum sale.** A lump sum sale, also known as a cash sale or an installment sale, is a sale of timber wherein the total sale price as determined at the time of sale is final and not dependent upon the volume of timber actually harvested.

(15) **MBF.** As used herein MBF shall mean one thousand board feet measured in Scribner Decimal C Log Scale Rule.

(16) **Other consideration.** As used herein other consideration shall mean improvements to the land that are required by contract by the seller and are of a permanent nature. For instance, other consideration may include, but is not limited to the construction of permanent roads, and the installation of permanent bridges.

(17) **Permanent road.** A road built as part of the harvesting operation which is intended to have a useful life subsequent to the completion of the harvest is a permanent road.

(18) **Private timber.** Private timber is all timber harvested from privately owned lands. Private timber includes timber on reclassified reforestation land under chapters 84.28 and 84.33 RCW.

(19) **Pro rata unit price.** The pro rata unit price shall be the result of dividing the total sale price of a lump sum sale by the sale volume.

(20) **Public timber.** Public timber is timber harvested from state, federal, municipal, county, and other government owned lands.

(21) **Remote island.** A remote island is an area of land which is totally surrounded by water at normal high tide and which has no bridge or causeway connecting it to the mainland.

(22) **Sale price.** The sale price shall mean the amount paid for standing timber in cash or other consideration.

(23) **Sawlog.** Sawlog shall mean any log large enough to produce one-third of its gross volume in sound lumber or other products that can be sawed.

(24) **Scale sale.** A scale sale means a sale in which the sale price is the product of the actual volume harvested and the unit price at the time of harvest.

(25) **Small harvester.** Small harvester means every person who from his own land or from the land of another under a right or license granted by lease or contract, either directly or by contracting with others for the necessary labor or mechanical services, fells, cuts, or takes timber for sale or for commercial or industrial use in an amount not exceeding 500 MBF in a calendar quarter and not exceeding 1000 MBF in a calendar year of combined public and private harvest (excluding conifer and hardwood utility). It does not include persons performing under contract the necessary labor or mechanical services for a harvester, and it does not include harvests of forest products classified by the department as special forest products including Christmas trees, posts, shake boards, bolts, flatsawn, and shingle blocks.

(26) **Small harvester option.** Harvesters of no more than 500 MBF per calendar quarter or a total of 1000 MBF in a calendar year of combined public and private harvest (excluding conifer and hardwood utility) may elect to calculate the timber tax in the manner provided by RCW 84.33.073 and 84.33.074. A harvester who elects to use this option shall use the quarterly reporting forms provided for this option by the department.

(27) **Species.** Species designation is a biologically-based grouping of harvested timber and shall include but is not limited to the following designations of species and subclassifications thereof (as defined in Agriculture Handbook No. 541 *Checklist of United States Trees (Native and Naturalized)*):

(a) Douglas-fir, western hemlock, true fir, noble fir, western redcedar, Alaska-cedar, western larch, ponderosa pine, lodgepole pine, western white pine, Sitka spruce, Engelmann spruce, red alder, and cottonwood shall be reported as separate species where designated as such in the stumpage value tables.

(b) Species designations for the harvest type special forest products shall be western redcedar shake blocks and boards, western redcedar flatsawn and shingle blocks, western redcedar and other posts, lodgepole pine and other posts, pine Christmas trees, Douglas-fir Christmas trees, Douglas-fir and other Christmas trees, true fir and other Christmas trees.

(c) Other conifer, as used in the stumpage value tables, shall be all other conifers not separately designated in the applicable stumpage value tables.

(d) Hardwood, and other hardwood, as used in the stumpage value tables, shall be all hardwoods not separately designated in the applicable stumpage value tables.

(e) Utility, conifer utility, and hardwood utility are separate species as defined by the "Official Log Scaling and Grading Rules" published by the Puget Sound Log Scaling and Grading Bureau and shall be reported as separate species where designated as such in the stumpage value tables.

(28) **Stumpage value area.** A stumpage value area is an area with specified boundaries which contains timber having similar growing, harvesting, and marketing conditions. Presently, there are ten such stumpage value areas designated in the state of Washington as shown under WAC 458-40-18704. Stumpage value areas 1, 2, 3, 4, and 5 are located west of the Cascade summit and stumpage value areas 6, 7, 8, 9, and 10 are located east of the Cascade summit.

(29) **Taxable stumpage value of timber.** The taxable stumpage value of timber shall be the value determined by one of the following methods as appropriate:

(a) Private timber. The taxable stumpage value of private timber shall be the appropriate value for each species of timber harvested, or for each species of special forest product harvested, as set forth in the stumpage value tables adopted under this chapter.

(b) Private timber — small harvester option. The taxable stumpage value for the small harvester option shall be determined by one of the following methods, whichever is most appropriate to the circumstances of the harvest.

(i) Sale of logs — Timber which has been severed from the stump and cut into various lengths for further processing. The taxable stumpage value is the actual gross receipts from the harvested timber less the costs of harvesting and marketing. Actual harvesting and marketing costs must be used in all instances where documented records are available. When the taxpayer is unable to provide documented proof of harvesting and marketing costs, the deduction shall be a percentage of the gross receipts from the sale of the harvested timber as determined by the department. The deduction shall be fifty percent of the gross receipts. A landowner who has sold logs for a percentage share of gross receipts should report the value received under WAC 458-40-18700 (29)(b)(ii).

(ii) Sale of stumpage — Standing or fallen trees which have not been severed from the stump, providing the harvest occurs within twelve months of the date of sale. The taxable stumpage value is the actual gross receipts received for the timber for the most recent sale prior to harvest. No harvesting and marketing cost deduction is allowable. If there has been a sale of stumpage and a subsequent sale of logs within twelve months, the taxable stumpage value shall be the gross receipts for the stumpage. If harvest occurs more than twelve months

after the date of sale, report under WAC 458-40-18700 (29)(b)(i).

(c) Public timber. The taxable stumpage value for public timber sales shall be determined as follows:

(i) Noncompetitive sales: Timber not sold by a competitive bidding process shall be valued in the same manner as private timber.

(ii) Scale sales: The taxable stumpage value shall be the sum of the products of each species volume multiplied by the unit price for each species.

(iii) Lump sum sales: For sales in which the harvest is completed within a single quarterly reporting period, the taxable value shall be the actual sale price for the timber in cash or other consideration. For sales in which the harvest extends over more than one quarterly reporting period, the taxable value for each period shall be based on the actual quantity harvested and the estimated pro rata unit price. In no event shall the taxable value of the sale differ from the original sale price in cash or other consideration.

(iv) Sale of logs: When public timber is sold in the form of logs, the taxable value shall be the actual purchase price for the logs less deductions as appropriate for the costs of felling, bucking, and yarding the logs to the point of sale. Cost deductions shall be the actual costs when documented proof of such costs are available. In the absence of verifiable actual cost data, cost deductions shall be based on the appraised costs as appraised by the seller, if available; or an estimate of such costs based on the best available information from the sale of similar timber under similar harvesting conditions.

(30) **Timber.** Timber shall include forest trees, standing or down, on privately or publicly owned land, and except as provided in RCW 84.33.170 includes Christmas trees, shake blocks and boards, posts and other western redcedar products.

(31) **Timber quality code number.** The timber quality code number is a number assigned to the harvest of a particular species within a harvest type under WAC 458-40-18706, and is based upon the constituent percentage of log grade specifications within the total volume of timber harvested for that particular species.

(32) **Unit price.** The unit price shall mean the sale price (including cash or other consideration) for each unit of volume. The unit price will most often be expressed as dollars per MBF.

(33) This rule shall not be construed to affect any public timber contracts in effect prior to August 1, 1982. [Statutory Authority: Chapter 84.33 RCW. 86-02-045 (Order FT-85-5), § 458-40-18700, filed 12/31/85; 85-02-026 (Order FT-84-7), § 458-40-18700, filed 12/28/84. Statutory Authority: RCW 82.01.060 and 1984 c 204. 84-14-049 (Order FT-84-4), § 458-40-18700, filed 6/29/84. Statutory Authority: RCW 82.01-.060, 84.33.071, 84.33.073 and 84.33.074. 84-02-041 (Order FT-83-7), § 458-40-18700, filed 12/30/83.]

WAC 458-40-18701 Repealed. See Disposition Table at beginning of this chapter.

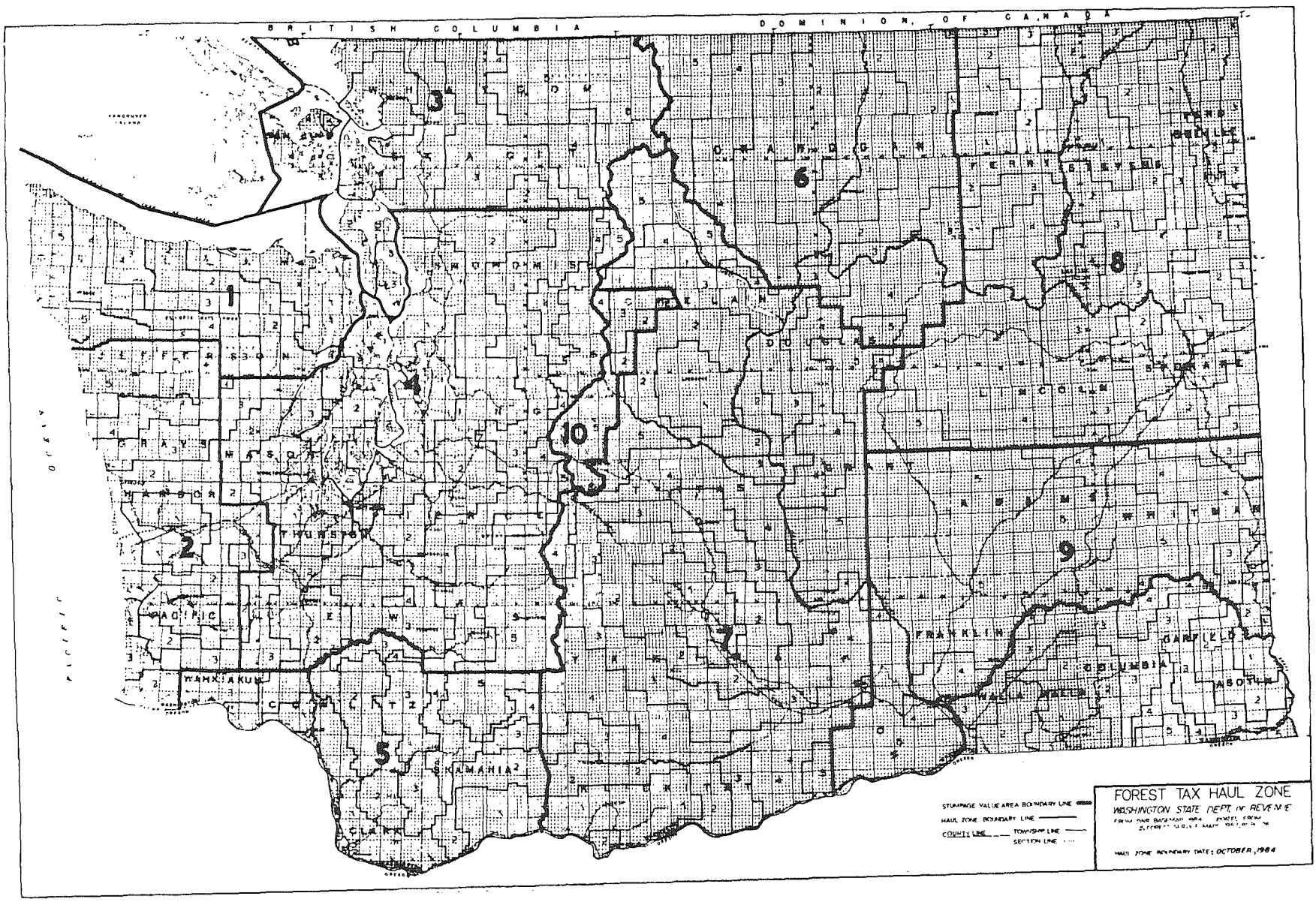
WAC 458-40-18702 Repealed. See Disposition Table at beginning of this chapter.

WAC 458-40-18703 Repealed. See Disposition Table at beginning of this chapter.

WAC 458-40-18704 Stumpage value areas and hauling distance zone--Map. In order to allow for differences in market conditions and other relevant factors throughout the state as required by chapter 84.33 RCW, the department has created a map designating areas containing timber having similar growing, harvesting, and marketing conditions; the department has designated zones within each area which have similar accessibility to conversion points and other similar hauling cost factors.

The stumpage value area and hauling distance zone map shall be used to determine the proper stumpage value table and haul zone to be used in calculating the taxable stumpage value.

The following stumpage value area and hauling distance zone map is hereby adopted:



[Statutory Authority: Chapter 84.33 RCW. 85-02-026 (Order FT-84-7), § 458-40-18704, filed 12/28/84. Statutory Authority: RCW 82.01.060 and 1984 c 204. 84-14-049 (Order FT-84-4), § 458-40-18704, filed 6/29/84. Statutory Authority: RCW 82.01.060, 84.33-.071, 84.33.073 and 84.33.074. 84-02-041 (Order FT-83-7), § 458-40-18704, filed 12/30/83.]

WAC 458-40-18705 Repealed. See Disposition Table at beginning of this chapter.

WAC 458-40-18706 Timber quality code numbers—Tables. In order to allow for differences in age, size, quality of timber and other relevant factors as required by chapter 84.33 RCW, the department has assigned timber quality code numbers for harvests of the various designated harvest types and species.

Scaling and grading information derived from an acceptable log scaling and grading rule for the particular harvest type and species shall be used to determine the proper quality code number.

For each timber quality code number in the following tables, there is a corresponding timber quality code number for that particular harvest type and species in the stumpage value tables which is to be used in computing timber harvest value.

The following timber quality code tables are hereby adopted:

**TABLE 1—Timber Quality Code Table
Stumpage Value Areas 1, 2, 3, 4, and 5
OLD GROWTH
(100 years of age or older)**

Timber Quality Code Number	Species	Log Grade Specifications ¹
	Douglas-fir	Over 40% Special Mill, No. 1 Sawmill & better log grade
	Western Redcedar & Alaska-cedar	Over 20% Special Mill, No. 1 Sawmill, Peeler & better log grade
1	Spruce	Over 35% No. 1 Sawmill, Peeler or Select & better log grade
	Western Hemlock, True Firs & Other Conifer	Over 25% Special Mill, No. 1 Sawmill & better log grade
	Hardwoods	All No. 3 Sawmill logs & better log grades

TABLE 1--cont.

Timber Quality Code Number	Species	Log Grade Specifications ¹
	Douglas-fir	15-40% inclusive Special Mill, No. 1 Sawmill & better log grade
	Western Redcedar & Alaska-cedar	10-20% inclusive Special Mill, No. 1 Sawmill, Peeler & better log grade
2	Spruce	15-35% inclusive No. 1 Sawmill, Peeler or Select & better log grade
	Western Hemlock, True Firs & Other Conifer	5-25% inclusive Special Mill, No. 1 Sawmill & better log grade
	Douglas-fir	Less than 15% Special Mill, No. 1 Sawmill & better log grade
	Western Redcedar & Alaska-cedar	Less than 10% Special Mill, No. 1 Sawmill, Peeler & better log grade
3	Spruce	Less than 15% No. 1 Sawmill, Peeler or Select & better log grade
	Western Hemlock, True Firs & Other Conifer	Less than 5% Special Mill, No. 1 Sawmill & better log grade
	Conifer Utility	All conifer logs graded as utility log grade
5	Hardwood Utility	All No. 4 Sawmill log grade and all hardwood logs graded as utility

¹For detailed descriptions and definitions of approved log scaling, grading rules, and procedures see the Official Rules for the following Log Scaling and Grading Bureaus; Columbia River, Grays Harbor, Northern California, Puget Sound, Southern Oregon, and Yamhill. (January 1, 1982 edition)

**TABLE 2—Timber Quality Code Table
Stumpage Value Areas 1, 2, 3, 4, and 5
YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Timber Quality Code Number	Species	Log Grade Specifications ¹
	Douglas-fir	Over 70% No. 2. Sawmill & better log grade
	Western Redcedar & Alaska-cedar	Over 20% No. 2 Sawmill & better log grade
[1]	Western Hemlock & Other Conifer	Over 70% No. 2 Sawmill & better log grade
	Hardwoods	All No. 3 Sawmill logs & better log grades

TABLE 2--cont.

Timber Quality Code Number	Species	Log Grade Specifications ¹
	Douglas-fir	40-70% inclusive No. 2 Sawmill & better log grade
2	Western Redcedar & Alaska-cedar	5-20% inclusive No. 2 Sawmill & better log grade
	Western Hemlock & Other Conifer	40-70% inclusive No. 2 Sawmill & better log grade
	Douglas-fir	5% to but not including 40% No. 2 Sawmill & better log grade
3	Western Redcedar & Alaska-cedar	Less than 5% No. 2 Sawmill & better log grade
	Western Hemlock & Other Conifer	5% to but not including 40% No. 2 Sawmill & better log grade
4	Douglas-fir, Western Hemlock & Other Conifer, except Western Redcedar & Alaska-cedar	Less than 5% No. 2 Sawmill & better log grade
	Conifer Utility	All conifer logs graded as utility log grade
5	Hardwood Utility	All No. 4 Sawmill log grade and all hardwood logs graded as utility

¹ For detailed descriptions and definitions of approved log scaling, grading rules, and procedures see the Official Rules for the following Log Scaling and Grading Bureaus; Columbia River, Grays Harbor, Northern California, Puget Sound, Southern Oregon, and Yamhill.

(January 1, 1982 edition)

TABLE 3--Timber Quality Code Table Stumpage Value Areas 6 and 7

MERCHANTABLE SAWTIMBER, ALL AGES

Timber Quality Code Number	Species	Log Grade Specifications
	Ponderosa Pine	Less than 10 logs 16 feet long per thousand board feet Scribner scale
1	All Conifers Other than Ponderosa Pine	All log sizes
	Hardwoods	Sawlogs only
2	Ponderosa Pine	10 or more logs 16 feet long per thousand board feet Scribner scale

TABLE 3--cont.

Timber Quality Code Number	Species	Log Grade Specifications
5	Utility	All logs graded as utility

TABLE 4--Timber Quality Code Table Stumpage Value Area 10

MERCHANTABLE SAWTIMBER, ALL AGES

Timber Quality Code Number	Species	Log Grade Specifications
	Ponderosa Pine & Other Conifers	Less than 5 logs 16 feet long per MBF net log Scribner scale
1	Hardwoods	All logs graded as sawlogs
	Ponderosa Pine	5 to 9 logs inclusive 16 feet long per MBF net log Scribner scale
2	Other Conifer	5 to 12 logs inclusive 16 feet long per MBF net log scale
	Ponderosa Pine	More than 9 logs 16 feet long per MBF net log Scribner scale
3	Other Conifer	More than 12 logs 16 feet long per MBF net log Scribner scale
5	Utility	All logs graded as utility

[Statutory Authority: Chapter 84.33 RCW. 86-02-045 (Order FT-85-5), § 458-40-18706, filed 12/31/85; 85-02-026 (Order FT-84-7), § 458-40-18706, filed 12/28/84. Statutory Authority: RCW 82.01.060 and 1984 c 204. 84-14-049 (Order FT-84-4), § 458-40-18706, filed 6/29/84. Statutory Authority: RCW 82.01.060, 84.33.071, 84.33.073 and 84.33.074. 84-02-041 (Order FT-83-7), § 458-40-18706, filed 12/30/83.]

WAC 458-40-18711 Stumpage values--Tables for January 1 through June 30, 1984. As required by RCW 84.33.071 the department has prepared tables which assign stumpage value rates for the various harvest types, which rates vary depending upon the stumpage value area, species, timber quality code number and hauling distance zone involved. Where the timber harvested is used to produce harvest type "special forest products" the value tables of this section shall establish the values for such special forest products.

The following stumpage value and special forest product value tables are hereby adopted for use during the period of January 1 through June 30, 1984.

**TABLE 1--Stumpage Value Table
Stumpage Value Area 1
January 1 through June 30, 1984**

**OLD GROWTH FINAL HARVEST
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$146	\$140	\$134	\$128	\$122
		2	107	101	95	89	83
		3	89	83	77	71	65
Western Hemlock ²	WH	1	177	171	165	159	153
		2	129	123	117	111	105
		3	107	101	95	89	83
True Fir ³	TF	1	177	171	165	159	153
		2	129	123	117	111	105
		3	107	101	95	89	83
Western Redcedar ⁴	RC	1	232	226	220	214	208
		2	168	162	156	150	144
		3	139	133	127	121	115
Sitka Spruce	SS	1	255	249	243	237	231
		2	184	178	172	166	160
		3	152	146	140	134	128
Other Conifer	OC	1	177	171	165	159	153
		2	129	123	117	111	105
		3	107	101	95	89	83
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	8	8	8	8	8

¹Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 2--Stumpage Value Table
Stumpage Value Area 1
January 1 through June 30, 1984**

**YOUNG GROWTH AND THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$167	\$160	\$153	\$146	\$139
		2	122	115	108	101	94
		3	102	95	88	81	74
		4	90	83	76	69	62

TABLE 2--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	114	107	100	93	86
		2	85	78	71	64	57
		3	72	65	58	51	44
		4	64	57	50	43	36
True Fir ³	TF	1	114	107	100	93	86
		2	85	78	71	64	57
		3	72	65	58	51	44
		4	64	57	50	43	36
Western Redcedar ⁴	RC	1	115	108	101	94	87
		2	86	79	72	65	58
		3	73	66	59	52	45
Other Conifer	OC	1	114	107	100	93	86
		2	85	78	71	64	57
		3	72	65	58	51	44
		4	64	57	50	43	36
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	8	8	8	8	8

¹Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 3--Stumpage Value Table
Stumpage Value Area 1
January 1 through June 30, 1984**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar--Shake Blocks & Boards ¹	RCS	1	\$248	\$242	\$236	\$230	\$224
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	91	85	79	73	67
Western Redcedar & Other Posts ²	RCP	1	0.20	0.20	0.20	0.20	0.20
Douglas-fir Christmas Trees ³	DFX	1	0.18	0.18	0.18	0.18	0.18
True Fir & Other Christmas Trees ³	TFX	1	0.40	0.40	0.40	0.40	0.40

¹Stumpage value per MBF net Scribner scale. See conversion method table

²WAC 458-40-19004.

³Stumpage value per 8 lineal feet or portion thereof.

⁴Stumpage value per lineal foot.

**TABLE 4--Stumpage Value Table
Stumpage Value Area 2
January 1 through June 30, 1984**

**OLD GROWTH FINAL HARVEST
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$166	\$160	\$154	\$148	\$142
		2	121	115	109	103	97
		3	101	95	89	83	77
Western Hemlock ²	WH	1	152	146	140	134	128
		2	111	105	99	93	87
		3	93	87	81	75	69
True Fir ³	TF	1	152	146	140	134	128
		2	111	105	99	93	87
		3	93	87	81	75	69
Western Redcedar ⁴	RC	1	247	241	235	229	223
		2	178	172	166	160	154
		3	148	142	136	130	124
Sitka Spruce	SS	1	255	249	243	237	231
		2	184	178	172	166	160
		3	152	146	140	134	128
Other Conifer	OC	1	152	146	140	134	128
		2	111	105	99	93	87
		3	93	87	81	75	69
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	9	9	9	9	9

¹ Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 5--Stumpage Value Table
Stumpage Value Area 2
January 1 through June 30, 1984**

**YOUNG GROWTH AND THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$203	\$196	\$189	\$182	\$175
		2	147	140	133	126	119
		3	123	116	109	102	95
		4	108	101	94	87	80

TABLE 5--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	155	148	141	134	127
		2	114	107	100	93	86
		3	96	89	82	75	68
		4	85	78	71	64	57
True Fir ³	TF	1	155	148	141	134	127
		2	114	107	100	93	86
		3	96	89	82	75	68
		4	85	78	71	64	57
Western Redcedar ⁴	RC	1	115	108	101	94	87
		2	86	79	72	65	58
		3	73	66	59	52	45
Other Conifer	OC	1	155	148	141	134	127
		2	114	107	100	93	86
		3	96	89	82	75	68
		4	85	78	71	64	57
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	9	9	9	9	9

¹ Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 6--Stumpage Value Table
Stumpage Value Area 2
January 1 through June 30, 1984**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$248	\$242	\$236	\$230	\$224
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	91	85	79	73	67
Western Redcedar & Other Posts ²	RCP	1	0.20	0.20	0.20	0.20	0.20
Douglas-fir Christmas Trees ³	DFX	1	0.18	0.18	0.18	0.18	0.18
True Fir & Other Christmas Trees ³	TFX	1	0.40	0.40	0.40	0.40	0.40

¹ Stumpage value per MBF net Scribner scale. See conversion method table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot.

**TABLE 7--Stumpage Value Table
Stumpage Value Area 3
January 1 through June 30, 1984**

**OLD GROWTH FINAL HARVEST
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$193	\$187	\$181	\$175	\$169
		2	140	134	128	122	116
		3	116	110	104	98	92
Western Hemlock ²	WH	1	166	160	154	148	142
		2	121	115	109	103	97
		3	101	95	89	83	77
True Fir ³	TF	1	166	160	154	148	142
		2	121	115	109	103	97
		3	101	95	89	83	77
Western Redcedar	RC	1	249	243	237	231	225
		2	180	174	168	162	156
		3	149	143	137	131	125
Sitka Spruce	SS	1	255	249	243	237	231
		2	184	178	172	166	160
		3	152	146	140	134	128
Alaska-cedar	YC	1	1107	1101	1095	1089	1083
		2	786	780	774	768	762
		3	644	638	632	626	620
Other Conifer	OC	1	166	160	154	148	142
		2	121	115	109	103	97
		3	101	95	89	83	77
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	6	6	6	6	6

¹Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

**TABLE 8--Stumpage Value Table
Stumpage Value Area 3
January 1 through June 30, 1984**

**YOUNG GROWTH AND THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$209	\$202	\$195	\$188	\$181
		2	152	145	138	131	124
		3	127	120	113	106	99
		4	112	105	98	91	84

**TABLE 8--cont.
Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹**

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	160	153	146	139	132
		2	117	110	103	96	89
		3	98	91	84	77	70
		4	87	80	73	66	59
True Fir ³	TF	1	160	153	146	139	132
		2	117	110	103	96	89
		3	98	91	84	77	70
		4	87	80	73	66	59
Western Redcedar ⁴	RC	1	115	108	101	94	87
		2	86	79	72	65	58
		3	73	66	59	52	45
Other Conifer	OC	1	160	153	146	139	132
		2	117	110	103	96	89
		3	98	91	84	77	70
		4	87	80	73	66	59
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	6	6	6	6	6

¹Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 9--Stumpage Value Table
Stumpage Value Area 3
January 1 through June 30, 1984**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar--Shake Blocks & Boards ¹	RCS	1	\$201	\$195	\$189	\$183	\$177
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	75	69	63	57	51
Western Redcedar & Other Posts ²	RCP	1	0.20	0.20	0.20	0.20	0.20
Douglas-fir Christmas Trees ³	DFX	1	0.18	0.18	0.18	0.18	0.18
True Fir & Other Christmas Trees ³	TFX	1	0.40	0.40	0.40	0.40	0.40

¹Stumpage value per MBF net Scribner scale. See conversion method table 2 WAC 458-40-19004.

²Stumpage value per 8 lineal feet or portion thereof.

³Stumpage value per lineal foot.

**TABLE 10--Stumpage Value Table
Stumpage Value Area 4
January 1 through June 30, 1984**

OLD GROWTH FINAL HARVEST
(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$228	\$222	\$216	\$210	\$204
		2	164	158	152	146	140
		3	136	130	124	118	112
Western Hemlock ²	WH	1	176	170	164	158	152
		2	128	122	116	110	104
		3	106	100	94	88	82
True Fir ³	TF	1	176	170	164	158	152
		2	128	122	116	110	104
		3	106	100	94	88	82
Western Redcedar	RC	1	249	243	237	231	225
		2	180	174	168	162	156
		3	149	143	137	131	125
Sitka Spruce	SS	1	255	249	243	237	231
		2	184	178	172	166	160
		3	152	146	140	134	128
Noble Fir	NF	1	285	279	273	267	261
		2	205	199	193	187	181
		3	170	164	158	152	146
Alaska-cedar	YC	1	1107	1101	1095	1089	1083
		2	786	780	774	768	762
		3	644	638	632	626	620
Other Conifer	OC	1	176	170	164	158	152
		2	128	122	116	110	104
		3	106	100	94	88	82
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

**TABLE 11--Stumpage Value Table
Stumpage Value Area 4
January 1 through June 30, 1984**

YOUNG GROWTH AND THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$222	\$215	\$208	\$201	\$194
		2	161	154	147	140	133
		3	134	127	120	113	106
		4	118	111	104	97	90

TABLE 11--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	145	138	131	124	117
		2	106	99	92	85	78
		3	89	82	75	68	61
		4	79	72	65	58	51
True Fir ³	TF	1	145	138	131	124	117
		2	106	99	92	85	78
		3	89	82	75	68	61
		4	79	72	65	58	51
Western Redcedar ⁴	RC	1	115	108	101	94	87
		2	86	79	72	65	58
		3	73	66	59	52	45
Other Conifer	OC	1	206	199	192	185	178
		2	150	143	136	129	122
		3	125	118	111	104	97
		4	110	103	96	89	82
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 12--Stumpage Value Table
Stumpage Value Area 4
January 1 through June 30, 1984**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$230	\$224	\$218	\$212	\$206
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	85	79	73	67	61
Western Redcedar & Other Posts ²	RCP	1	0.20	0.20	0.20	0.20	0.20
Douglas-fir Christmas Trees ³	DFX	1	0.18	0.18	0.18	0.18	0.18
True Fir & Other Christmas Trees ³	TFX	1	0.40	0.40	0.40	0.40	0.40

¹ Stumpage value per MBF net Scribner scale. See conversion method table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot.

TABLE 13--Stumpage Value Table
Stumpage Value Area 5
 January 1 through June 30, 1984

OLD GROWTH FINAL HARVEST
 (100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$297	\$291	\$285	\$279	\$273
		2	214	208	202	196	190
		3	178	172	166	160	154
Western Hemlock ²	WH	1	166	160	154	148	142
		2	121	115	109	103	97
		3	101	95	89	83	77
True Fir ³	TF	1	166	160	154	148	142
		2	121	115	109	103	97
		3	101	95	89	83	77
Western Redcedar ⁴	RC	1	249	243	237	231	225
		2	180	174	168	162	156
		3	149	143	137	131	125
Sitka Spruce	SS	1	255	249	243	237	231
		2	184	178	172	166	160
		3	152	146	140	134	128
Noble Fir	NF	1	285	279	273	267	261
		2	205	199	193	187	181
		3	170	164	158	152	146
Other Conifer	OC	1	166	160	154	148	142
		2	121	115	109	103	97
		3	101	95	89	83	77
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	5	5	5	5	5

¹Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

TABLE 14--Stumpage Value Table
Stumpage Value Area 5
 January 1 through June 30, 1984

YOUNG GROWTH AND THINNING
 (less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$208	\$201	\$194	\$187	\$180
		2	151	144	137	130	123
		3	126	119	112	105	98
		4	111	104	97	90	83

TABLE 14--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	145	138	131	124	117
		2	106	99	92	85	78
		3	89	82	75	68	61
		4	79	72	65	58	51
True Fir ³	TF	1	145	138	131	124	117
		2	106	99	92	85	78
		3	89	82	75	68	61
		4	79	72	65	58	51
Western Redcedar ⁴	RC	1	115	108	101	94	87
		2	86	79	72	65	58
		3	73	66	59	52	45
Other Conifer	OC	1	145	138	131	124	117
		2	106	99	92	85	78
		3	89	82	75	68	61
		4	79	72	65	58	51
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	60	53	46	39	32
Other Hardwoods	OH	1	49	42	35	28	21
Hardwood Utility	HU	5	5	5	5	5	5
Conifer Utility	CU	5	5	5	5	5	5

¹Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

TABLE 15--Stumpage Value Table
Stumpage Value Area 5
 January 1 through June 30, 1984

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$210	\$204	\$198	\$192	\$186
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	78	72	66	60	54
Western Redcedar & Other Posts ²	RCP	1	0.20	0.20	0.20	0.20	0.20
Douglas-fir Christmas Trees ³	DFX	1	0.18	0.18	0.18	0.18	0.18
True fir & Other Christmas Trees ³	TFX	1	0.40	0.40	0.40	0.40	0.40

¹Stumpage value per MBF net Scribner scale. See conversion method table 2 WAC 458-40-19004.

²Stumpage value per 8 lineal feet or portion thereof.

³Stumpage value per lineal foot.

TABLE 16--Stumpage Value Table
Stumpage Value Areas 6, 7, 8, and 9
 January 1 through June 30, 1984

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$132	\$126	\$120	\$114	\$108
		2	97	91	85	79	73
Douglas-fir	DF	1	93	87	81	75	69
Western Larch	WL	1	93	87	81	75	69
Western Hemlock ²	WH	1	62	56	50	44	38
True fir ³	TF	1	62	56	50	44	38
Engelmann Spruce	ES	1	63	57	51	45	39
Western White Pine	WP	1	104	98	92	86	80
Western Redcedar	RC	1	110	104	98	92	86
Lodgepole Pine	LP	1	40	34	28	22	16
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	9	9	9	9	9

¹ Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

TABLE 17--Stumpage Value Table
Stumpage Value Areas 6, 7, 8, and 9
 January 1 through June 30, 1984

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$99	\$93	\$87	\$81	\$75
Lodgepole Pine & Other Posts ²	LPP	1	0.20	0.20	0.20	0.20	0.20
Pine Christmas Trees ³	PX	1	0.18	0.18	0.18	0.18	0.18
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.18	0.18	0.18	0.18	0.18

¹ Stumpage value per MBF net Scribner scale. See conversion method table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.
⁴ Stumpage value per lineal foot.

TABLE 18--Stumpage Value Table
Stumpage Value Area 10
 January 1 through June 30, 1984

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$147	\$141	\$135	\$129	\$123
		2	121	115	109	103	97
		3	105	99	93	87	81
Douglas-fir	DF	1	146	140	134	128	122
		2	119	113	107	101	95
		3	55	49	43	37	31
Western Larch	WL	1	146	140	134	128	122
		2	119	113	107	101	95
		3	55	49	43	37	31
Western Hemlock ²	WH	1	145	139	133	127	121
		2	112	106	100	94	88
		3	70	64	58	52	46
True Fir ³	TF	1	145	139	133	127	121
		2	112	106	100	94	88
		3	70	64	58	52	46
Other Conifer	OC	1	145	139	133	127	121
		2	112	106	100	94	88
		3	70	64	58	52	46
Hardwoods	OH	1	18	12	6	1	1
		5	5	5	5	5	5
Utility	CU	5	5	5	5	5	

¹ Log scale conversions between Western and Eastern Washington. See conversion method tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

TABLE 19--Stumpage Value Table
Stumpage Value Area 10
 January 1 through June 30, 1984

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$108	\$102	\$96	\$90	\$84
Lodgepole Pine & Other Posts ²	LPP	1	0.20	0.20	0.20	0.20	0.20
Pine Christmas Trees ³	PX	1	0.18	0.18	0.18	0.18	0.18
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.18	0.18	0.18	0.18	0.18

¹ Stumpage value per MBF Scribner scale. See conversion method table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.
⁴ Stumpage value per lineal foot.

[Statutory Authority: RCW 82.01.060 and 84.33.071. 84-08-020 (Order FT-84-1), § 458-40-18711, filed 3/28/84. Statutory Authority: RCW 82.01.060, 84.33.071, 84.33.073 and 84.33.074. 84-02-041 (Order FT-83-7), § 458-40-18711, filed 12/30/83.]

WAC 458-40-18713 Stumpage values--Tables for July 1 through December 31, 1984. As required by chapter 204, Laws of 1984 the department has prepared tables which assign stumpage value rates for the various harvest types, which rates vary depending upon the stumpage value area, species, timber quality code number and hauling distance zone involved. Where the timber harvested is used to produce harvest type "special forest products" the value tables of this section shall establish the values for such special forest products.

The following stumpage value and special forest product value tables are hereby adopted for use during the period of July 1 through December 31, 1984.

**TABLE 1--Stumpage Value Table
Stumpage Value Area 1
July 1 through December 31, 1984**

**OLD GROWTH
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$179	\$173	\$167	\$161	\$155
		2	170	164	158	152	146
		3	162	156	150	144	138
Western Hemlock ²	WH	1	170	164	158	152	146
		2	144	138	132	126	120
		3	115	109	103	97	91
True Fir ³	TF	1	170	164	158	152	146
		2	144	138	132	126	120
		3	115	109	103	97	91
Western Redcedar ⁴	RC	1	252	246	240	234	228
		2	245	239	233	227	221
		3	159	153	147	141	135
Sitka Spruce	SS	1	196	190	184	178	172
		2	172	166	160	154	148
		3	99	93	87	81	75
Other Conifer	OC	1	170	164	158	152	146
		2	144	138	132	126	120
		3	115	109	103	97	91
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 2--Stumpage Value Table
Stumpage Value Area 1
July 1 through December 31, 1984**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$214	\$207	\$200	\$193	\$186
		2	203	196	189	182	175
		3	167	160	153	146	139
		4	161	154	147	140	133
Western Hemlock ²	WH	1	157	150	143	136	129
		2	131	124	117	110	103
		3	104	97	90	83	76
		4	96	89	82	75	68
True Fir ³	TF	1	157	150	143	136	129
		2	131	124	117	110	103
		3	104	97	90	83	76
		4	96	89	82	75	68
Western Redcedar ⁴	RC	1	189	182	175	168	161
		2	148	141	134	127	120
		3	144	137	130	123	116
Other Conifer	OC	1	157	150	143	136	129
		2	131	124	117	110	103
		3	104	97	90	83	76
		4	96	89	82	75	68
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 3--Stumpage Value Table
Stumpage Value Area 1
July 1 through December 31, 1984**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar--Shake Blocks & Boards ¹	RCS	1	\$204	\$198	\$192	\$186	\$180
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	76	70	64	58	52
Western Redcedar & Other Posts ²	RCP	1	0.32	0.32	0.32	0.32	0.32

TABLE 3--cont.
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

²Stumpage value per 8 lineal feet or portion thereof.

³Stumpage value per lineal foot.

TABLE 4--Stumpage Value Table
Stumpage Value Area 2
July 1 through December 31, 1984

OLD GROWTH
(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$233	\$227	\$221	\$215	\$209
		2	202	196	190	184	178
		3	172	166	160	154	148
Western Hemlock ²	WH	1	170	164	158	152	146
		2	142	136	130	124	118
		3	128	122	116	110	104
True Fir ³	TF	1	170	164	158	152	146
		2	142	136	130	124	118
		3	128	122	116	110	104
Western Redcedar ⁴	RC	1	303	297	291	285	279
		2	262	256	250	244	238
		3	221	215	209	203	197
Sitka Spruce	SS	1	196	190	184	178	172
		2	172	166	160	154	148
		3	99	93	87	81	75
Other Conifer	OC	1	170	164	158	152	146
		2	142	136	130	124	118
		3	128	122	116	110	104
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

TABLE 5--Stumpage Value Table
Stumpage Value Area 2
July 1 through December 31, 1984

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$204	\$197	\$190	\$183	\$176
		2	194	187	180	173	166
		3	178	171	164	157	150
		4	161	154	147	140	133
Western Hemlock ²	WH	1	153	146	139	132	125
		2	112	105	98	91	84
		3	108	101	94	87	80
		4	84	77	70	63	56
True Fir ³	TF	1	153	146	139	132	125
		2	112	105	98	91	84
		3	108	101	94	87	80
		4	84	77	70	63	56
Western Redcedar ⁴	RC	1	197	190	183	176	169
		2	175	168	161	154	147
		3	122	115	108	101	94
Other Conifer	OC	1	153	146	139	132	125
		2	112	105	98	91	84
		3	108	101	94	87	80
		4	84	77	70	63	56
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

TABLE 6--Stumpage Value Table
Stumpage Value Area 2
July 1 through December 31, 1984

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$223	\$217	\$211	\$205	\$199
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	82	76	70	64	58
Western Redcedar & Other Posts ²	RCP	1	0.32	0.32	0.32	0.32	0.32

TABLE 6--cont.
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

² Stumpage value per 8 lineal feet or portion thereof.

³ Stumpage value per lineal foot.

TABLE 7--Stumpage Value Table
Stumpage Value Area 3
July 1 through December 31, 1984

OLD GROWTH
(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$258	\$252	\$246	\$240	\$234
		2	189	183	177	171	165
		3	180	174	168	162	156
Western Hemlock ²	WH	1	241	235	229	223	217
		2	137	131	125	119	113
		3	104	98	92	86	80
True Fir ³	TF	1	241	235	229	223	217
		2	137	131	125	119	113
		3	104	98	92	86	80
Western Redcedar	RC	1	287	281	275	269	263
		2	220	214	208	202	196
		3	153	147	141	135	129
Sitka Spruce	SS	1	196	190	184	178	172
		2	172	166	160	154	148
		3	99	93	87	81	75
Alaska-cedar	YC	1	339	333	327	321	315
		2	312	306	300	294	288
		3	228	222	216	210	204
Other Conifer	OC	1	241	235	229	223	217
		2	137	131	125	119	113
		3	104	98	92	86	80
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

TABLE 8--Stumpage Value Table
Stumpage Value Area 3
July 1 through December 31, 1984

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$199	\$192	\$185	\$178	\$171
		2	193	186	179	172	165
		3	177	170	163	156	149
		4	166	159	152	145	138
Western Hemlock ²	WH	1	164	157	150	143	136
		2	157	150	143	136	129
		3	109	102	95	88	81
		4	96	89	82	75	68
True Fir ³	TF	1	164	157	150	143	136
		2	157	150	143	136	129
		3	109	102	95	88	81
		4	96	89	82	75	68
Western Redcedar ⁴	RC	1	235	228	221	214	207
		2	214	207	200	193	186
		3	124	117	110	103	96
Other Conifer	OC	1	164	157	150	143	136
		2	157	150	143	136	129
		3	109	102	95	88	81
		4	96	89	82	75	68
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴ Includes Alaska-cedar.

TABLE 9--Stumpage Value Table
Stumpage Value Area 3
July 1 through December 31, 1984

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$227	\$221	\$215	\$209	\$203
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	84	78	72	66	60
Western Redcedar & Other Posts ²	RCP	1	0.32	0.32	0.32	0.32	0.32

TABLE 9--cont.
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

²Stumpage value per 8 lineal feet or portion thereof.

³Stumpage value per lineal foot.

TABLE 10--Stumpage Value Table
Stumpage Value Area 4
July 1 through December 31, 1984

OLD GROWTH
(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$212	\$206	\$200	\$194	\$188
		2	208	202	196	190	184
		3	191	185	179	173	167
Western Hemlock ²	WH	1	221	215	209	203	197
		2	138	132	126	120	114
		3	126	120	114	108	102
True Fir ³	TF	1	221	215	209	203	197
		2	138	132	126	120	114
		3	126	120	114	108	102
Western Redcedar	RC	1	291	285	279	273	267
		2	266	260	254	248	242
		3	160	154	148	142	136
Sitka Spruce	SS	1	196	190	184	178	172
		2	172	166	160	154	148
		3	99	93	87	81	75
Noble Fir	NF	1	241	235	229	223	217
		2	152	146	140	134	128
		3	134	128	122	116	110
Alaska-cedar	YC	1	339	333	327	321	315
		2	312	306	300	294	288
		3	228	222	216	210	204
Other Conifer	OC	1	221	215	209	203	197
		2	138	132	126	120	114
		3	126	120	114	108	102
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

TABLE 11--Stumpage Value Table
Stumpage Value Area 4
July 1 through December 31, 1984

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$221	\$214	\$207	\$200	\$193
		2	200	193	186	179	172
		3	174	167	160	153	146
		4	164	157	150	143	136
Western Hemlock ²	WH	1	167	160	153	146	139
		2	147	140	133	126	119
		3	126	119	112	105	98
		4	121	114	107	100	93
True Fir ³	TF	1	167	160	153	146	139
		2	147	140	133	126	119
		3	126	119	112	105	98
		4	121	114	107	100	93
Western Redcedar ⁴	RC	1	204	197	190	183	176
		2	194	187	180	173	166
		3	184	177	170	163	156
Other Conifer	OC	1	167	160	153	146	139
		2	147	140	133	126	119
		3	126	119	112	105	98
		4	121	114	107	100	93
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

TABLE 12--Stumpage Value Table
Stumpage Value Area 4
July 1 through December 31, 1984

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$238	\$232	\$226	\$220	\$214
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	87	81	75	69	63
Western Redcedar & Other Posts ²	RCP	1	0.32	0.32	0.32	0.32	0.32

TABLE 12--cont.
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

² Stumpage value per 8 lineal feet or portion thereof.

³ Stumpage value per lineal foot.

TABLE 13--Stumpage Value Table
Stumpage Value Area 5
July 1 through December 31, 1984

OLD GROWTH
(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$271	\$265	\$259	\$253	\$247
		2	229	223	217	211	205
		3	188	182	176	170	164
Western Hemlock ²	WH	1	156	150	144	138	132
		2	144	138	132	126	120
		3	132	126	120	114	108
True Fir ³	TF	1	156	150	144	138	132
		2	144	138	132	126	120
		3	132	126	120	114	108
Western Redcedar ⁴	RC	1	275	269	263	257	251
		2	248	242	236	230	224
		3	164	158	152	146	140
Sitka Spruce	SS	1	196	190	184	178	172
		2	172	166	160	154	148
		3	99	93	87	81	75
Noble Fir	NF	1	241	235	229	223	217
		2	152	146	140	134	128
		3	134	128	122	116	110
Other Conifer	OC	1	156	150	144	138	132
		2	144	138	132	126	120
		3	132	126	120	114	108
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴ Includes Alaska-cedar.

TABLE 14--Stumpage Value Table
Stumpage Value Area 5
July 1 through December 31, 1984

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$248	\$241	\$234	\$227	\$220
		2	196	189	182	175	168
		3	170	163	156	149	142
		4	163	156	149	142	135
Western Hemlock ²	WH	1	155	148	141	134	127
		2	116	109	102	95	88
		3	99	92	85	78	71
		4	89	82	75	68	61
True Fir ³	TF	1	155	148	141	134	127
		2	116	109	102	95	88
		3	99	92	85	78	71
		4	89	82	75	68	61
Western Redcedar ⁴	RC	1	222	215	208	201	194
		2	164	157	150	143	136
		3	156	149	142	135	128
Other Conifer	OC	1	155	148	141	134	127
		2	116	109	102	95	88
		3	99	92	85	78	71
		4	89	82	75	68	61
Red Alder	RA	1	62	55	48	41	34
Cottonwood	BC	1	64	57	50	43	36
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	17	17	17	17	17
Conifer Utility	CU	5	4	4	4	4	4

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴ Includes Alaska-cedar.

TABLE 15--Stumpage Value Table
Stumpage Value Area 5
July 1 through December 31, 1984

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar--Shake Blocks & Boards ¹	RCS	1	\$212	\$206	\$200	\$194	\$188
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	79	73	67	61	55
Western Redcedar & Other Posts ²	RCP	1	0.32	0.32	0.32	0.32	0.32

TABLE 15--cont.
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir Christmas Trees ¹	DFX	1	0.25	0.25	0.25	0.25	0.25
True fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
²Stumpage value per 8 lineal feet or portion thereof.
³Stumpage value per lineal foot.

TABLE 16--Stumpage Value Table
Stumpage Value Areas 6, 7, 8, and 9
July 1 through December 31, 1984

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$140	\$134	\$128	\$122	\$116
		2	107	101	95	89	83
Douglas-fir	DF	1	110	104	98	92	86
Western Larch	WL	1	110	104	98	92	86
Western Hemlock ²	WH	1	79	73	67	61	55
True fir ³	TF	1	79	73	67	61	55
Engelmann Spruce	ES	1	62	56	50	44	38
Western White Pine	WP	1	163	157	151	145	139
Western Redcedar	RC	1	143	137	131	125	119
Lodgepole Pine	LP	1	75	69	63	57	51
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	3	3	3	3	3

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
²Includes Western and Mountain Hemlock.
³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

TABLE 17--Stumpage Value Table
Stumpage Value Areas 6, 7, 8, and 9
July 1 through December 31, 1984

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$99	\$93	\$87	\$81	\$75

TABLE 17--cont.
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Lodgepole Pine & Other Posts ²	LPP	1	0.32	0.32	0.32	0.32	0.32
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
²Stumpage value per 8 lineal feet or portion thereof.
³Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.
⁴Stumpage value per lineal foot.

TABLE 18--Stumpage Value Table
Stumpage Value Area 10
July 1 through December 31, 1984

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$161	\$155	\$149	\$143	\$137
		2	128	122	116	110	104
		3	95	89	83	77	71
Douglas-fir	DF	1	127	121	115	109	103
		2	112	106	100	94	88
		3	97	91	85	79	73
Western Larch	WL	1	127	121	115	109	103
		2	112	106	100	94	88
		3	97	91	85	79	73
Western Hemlock ²	WH	1	112	106	100	94	88
		2	95	89	83	77	71
		3	77	71	65	59	53
True Fir ³	TF	1	112	106	100	94	88
		2	95	89	83	77	71
		3	77	71	65	59	53
Other Conifer	OC	1	112	106	100	94	88
		2	95	89	83	77	71
		3	77	71	65	59	53
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	1	1	1	1	1

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
²Includes Western and Mountain Hemlock.
³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

**TABLE 19--Stumpage Value Table
Stumpage Value Area 10
July 1 through December 31, 1984**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$108	\$102	\$96	\$90	\$84
Lodgepole Pine & Other Posts ²	LPP	1	0.32	0.32	0.32	0.32	0.32
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹ Stumpage value per MBF Scribner scale. See conversion method Table 2 WAC 458-40-19004.

² Stumpage value per 8 lineal feet or portion thereof.

³ Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.

⁴ Stumpage value per lineal foot.

[Statutory Authority: RCW 82.01.060 and 1984 c 204, 84-14-049 (Order FT-84-4), § 458-40-18713, filed 6/29/84.]

WAC 458-40-18714 Harvester adjustments-- Tables for July 1 through December 31, 1984. In order to make reasonable and adequate allowances for costs of removal and size of logging operation in computation of stumpage value rates as required by chapter 204, Laws of 1984, the department has prepared tables which allow for adjustments to the stumpage value rates derived from the stumpage value tables of WAC 458-40-18713.

Harvest adjustments relating to harvest volume per acre, logging conditions and average volume per log shall be allowed against the stumpage value rates for the designated harvest types and in the designated stumpage value areas as set forth in the following tables with the following limitations:

- (1) No harvest adjustment shall be allowed against special forest products.
- (2) No harvest adjustment shall be allowed against utility, conifer utility, and hardwood utility.
- (3) Stumpage value rates for conifers and hardwoods shall be adjusted to a value no lower than \$1 per thousand board feet.

Timber harvesters planning to remove timber from areas having damaged timber may apply to the department for adjustment in stumpage value rates. Such applications should contain a map with the legal description of the area from which the timber will be removed, a description of the damage sustained by the

timber, and a listing of additional costs incurred. Such applications should be sent to the Department of Revenue AX-02, Forest Tax Division, General Administration Building, Olympia, Washington 98504, before the harvest commences.

In the event the extent of such timber damage or additional costs are not known at the time the application is filed, the harvester may supplement the application when the necessary information is obtained, but in no event later than 90 days following completion of the harvest unit.

Upon application from any person who plans to harvest damaged timber the department will make a determination as to the amount of adjustment to be allowed. The harvester will be notified by the department of the amount of the adjustment. This amount can then be taken as a credit against tax liabilities or if the harvester is no longer harvesting, a refund will be authorized.

The following harvest adjustment tables are hereby adopted for use during the period of July 1 through December 31, 1984:

**TABLE 1--Harvest Adjustment Table
Stumpage Value Areas 1, 2, 3, 4, and 5
July 1 through December 31, 1984**

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
OLD GROWTH (100 years of age, or older)		
I. Volume per acre		
Class 1	Harvest of more than 40 thousand board feet per acre.	\$0.00
Class 2	Harvest of 15 thousand board feet to 40 thousand board feet per acre.	-\$4.00
Class 3	Harvest of less than 15 thousand board feet per acre.	-\$7.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No rock outcrops or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	-\$21.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	-\$44.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$85.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00

**TABLE 2--Harvest Adjustment Table
Stumpage Value Areas 1, 2, 3, 4, and 5
July 1 through December 31, 1984**

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 30 thousand board feet per acre.	\$0.00
Class 2	Harvest of 10 thousand board feet to 30 thousand board feet per acre.	-\$2.00
Class 3	Harvest of 5 thousand board feet to but not including 10 thousand board feet per acre.	-\$6.00
Class 4	Harvest of less than 5 thousand board feet per acre.	-\$8.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No significant rock outcrop or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	-\$21.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	-\$44.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$85.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00
IV. Thinning (see WAC 458-40-19700 (9)(d))		
Class 1	Average log volume of 50 board feet or more.	-\$25.00
Class 2	Average log volume of less than 50 board feet.	-\$35.00

**TABLE 3--Harvest Adjustment Table
Stumpage Value Areas 6, 7, 8, 9 and 10
July 1 through December 31, 1984**

MERCHANTABLE SAWTIMBER, ALL AGES

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 8 thousand board feet per acre.	\$0.00
Class 2	Harvest of 3 thousand board feet to 8 thousand board feet per acre.	-\$7.00
Class 3	Harvest of less than 3 thousand board feet per acre.	-\$10.00

TABLE 3--cont.

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No rock outcrops or swamp barriers. Generally flat to gentle slopes under 20%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 20% to 40%.	-\$12.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 40%.	-\$33.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$85.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00
DOMESTIC MARKET ADJUSTMENT:		
Harvest of timber not sold by a competitive bidding process which is prohibited by state or federal law from foreign export may be eligible for the domestic market adjustment. The adjustment may be applied only to those species of timber which must be processed domestically. According to type of sale, the adjustment may be applied only to the following species:		
Federal Timber Sales: All species except Alaska yellow cedar. (Stat. Ref. - 36 CFR 223.10)		
State Timber Sales: Western red cedar only. (Stat. Ref. - 50 USC appendix 2406.1)		
Private Timber: No adjustment permitted.		
The adjustment amounts shall be as follows:		
Class 1:	All eligible species in Western Washington (SVA's 1 through 5)	-\$16.00 per MBF
Class 2:	All eligible species in Eastern Washington (SVA's 6 through 10)	-\$5.00 per MBF

NOTE: The adjustment will not be allowed on conifer utility, hardwood utility or special forest products.

[Statutory Authority: RCW 82.01.060 and 1984 c 204, 84-14-049 (Order FT-84-4), § 458-40-18714, filed 6/29/84.]

WAC 458-40-18715 Stumpage values--Tables for January 1 through June 30, 1985. As required by chapter 84.33 RCW the department has prepared tables which assign stumpage value rates for the various harvest types, which rates vary depending upon the stumpage value area, species, timber quality code number and hauling distance zone involved. Where the timber harvested is used to produce harvest type special forest products the value tables of this section shall establish the values for such special forest products.

The following stumpage value and special forest product value tables are hereby adopted for use during the period of January 1 through June 30, 1985.

**TABLE 1--Stumpage Value Table
Stumpage Value Area 1
January 1 through June 30, 1985**

**OLD GROWTH
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$184	\$178	\$172	\$166	\$160
		2	136	130	124	118	112
		3	116	110	104	98	92
Western Hemlock ²	WH	1	151	145	139	133	127
		2	121	115	109	103	97
		3	93	87	81	75	69
True Fir ³	TF	1	151	145	139	133	127
		2	121	115	109	103	97
		3	93	87	81	75	69
Western Redcedar ⁴	RC	1	306	300	294	288	282
		2	246	240	234	228	222
		3	184	178	172	166	160
Sitka Spruce	SS	1	194	188	182	176	170
		2	155	149	143	137	131
		3	134	128	122	116	110
Other Conifer	OC	1	151	145	139	133	127
		2	121	115	109	103	97
		3	93	87	81	75	69
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 2--Stumpage Value Table
Stumpage Value Area 1
January 1 through June 30, 1985**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$212	\$205	\$198	\$191	\$184
		2	188	181	174	167	160
		3	158	151	144	137	130
		4	154	147	140	133	126

TABLE 2--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	144	137	130	123	116
		2	139	132	125	118	111
		3	137	130	123	116	109
		4	124	117	110	103	96
True Fir ³	TF	1	144	137	130	123	116
		2	139	132	125	118	111
		3	137	130	123	116	109
		4	124	117	110	103	96
Western Redcedar ⁴	RC	1	252	245	238	231	224
		2	181	174	167	160	153
		3	165	158	151	144	137
Other Conifer	OC	1	144	137	130	123	116
		2	139	132	125	118	111
		3	137	130	123	116	109
		4	124	117	110	103	96
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 3--Stumpage Value Table
Stumpage Value Area 1
January 1 through June 30, 1985**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$236	\$230	\$224	\$218	\$212
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	91	85	79	73	67
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

²Stumpage value per 8 lineal feet or portion thereof.

³Stumpage value per lineal foot.

**TABLE 4--Stumpage Value Table
Stumpage Value Area 2
January 1 through June 30, 1985**

**OLD GROWTH
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$193	\$187	\$181	\$175	\$169
		2	187	181	175	169	163
		3	172	166	160	154	148
Western Hemlock ²	WH	1	130	124	118	112	106
		2	118	112	106	100	94
		3	113	107	101	95	89
True Fir ³	TF	1	130	124	118	112	106
		2	118	112	106	100	94
		3	113	107	101	95	89
Western Redcedar ⁴	RC	1	320	314	308	302	296
		2	280	274	268	262	256
		3	193	187	181	175	169
Sitka Spruce	SS	1	194	188	182	176	170
		2	155	149	143	137	131
		3	134	128	122	116	110
Other Conifer	OC	1	130	124	118	112	106
		2	118	112	106	100	94
		3	113	107	101	95	89
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 5--Stumpage Value Table
Stumpage Value Area 2
January 1 through June 30, 1985**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$170	\$163	\$156	\$149	\$142
		2	170	163	156	149	142
		3	141	134	127	120	113
		4	134	127	120	113	106

**TABLE 5--cont.
Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹**

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	115	108	101	94	87
		2	97	90	83	76	69
		3	77	70	63	56	49
		4	74	67	60	53	46
True Fir ³	TF	1	115	108	101	94	87
		2	97	90	83	76	69
		3	77	70	63	56	49
		4	74	67	60	53	46
Western Redcedar ⁴	RC	1	270	263	256	249	242
		2	229	222	215	208	201
		3	188	181	174	167	160
Other Conifer	OC	1	115	108	101	94	87
		2	97	90	83	76	69
		3	77	70	63	56	49
		4	74	67	60	53	46
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 6--Stumpage Value Table
Stumpage Value Area 2
January 1 through June 30, 1985**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$236	\$230	\$224	\$218	\$212
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	91	85	79	73	67
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot.

**TABLE 7--Stumpage Value Table
Stumpage Value Area 3
January 1 through June 30, 1985**

**OLD GROWTH
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$242	\$236	\$230	\$224	\$218
		2	166	160	154	148	142
		3	157	151	145	139	133
Western Hemlock ²	WH	1	124	118	112	106	100
		2	113	107	101	95	89
		3	105	99	93	87	81
True Fir ³	TF	1	124	118	112	106	100
		2	113	107	101	95	89
		3	105	99	93	87	81
Western Redcedar	RC	1	260	254	248	242	236
		2	212	206	200	194	188
		3	189	183	177	171	165
Sitka Spruce	SS	1	194	188	182	176	170
		2	155	149	143	137	131
		3	134	128	122	116	110
Alaska-cedar	YC	1	338	332	326	320	314
		2	328	322	316	310	304
		3	239	233	227	221	215
Other Conifer	OC	1	124	118	112	106	100
		2	113	107	101	95	89
		3	105	99	93	87	81
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

**TABLE 8--Stumpage Value Table
Stumpage Value Area 3
January 1 through June 30, 1985**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$201	\$194	\$187	\$180	\$173
		2	190	183	176	169	162
		3	177	170	163	156	149
		4	153	146	139	132	125

TABLE 8--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	120	113	106	99	92
		2	108	101	94	87	80
		3	107	100	93	86	79
		4	96	89	82	75	68
True Fir ³	TF	1	120	113	106	99	92
		2	108	101	94	87	80
		3	107	100	93	86	79
		4	96	89	82	75	68
Western Redcedar ⁴	RC	1	262	255	248	241	234
		2	214	207	200	193	186
		3	191	184	177	170	163
Other Conifer	OC	1	120	113	106	99	92
		2	108	101	94	87	80
		3	107	100	93	86	79
		4	96	89	82	75	68
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴ Includes Alaska-cedar.

**TABLE 9--Stumpage Value Table
Stumpage Value Area 3
January 1 through June 30, 1985**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$236	\$230	\$224	\$218	\$212
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	91	85	79	73	67
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

² Stumpage value per 8 lineal feet or portion thereof.

³ Stumpage value per lineal foot.

**TABLE 10--Stumpage Value Table
Stumpage Value Area 4
January 1 through June 30, 1985**

**OLD GROWTH
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$217	\$211	\$205	\$199	\$193
		2	171	165	159	153	147
		3	163	157	151	145	139
Western Hemlock ²	WH	1	216	210	204	198	192
		2	115	109	103	97	91
		3	105	99	93	87	81
True Fir ³	TF	1	216	210	204	198	192
		2	115	109	103	97	91
		3	105	99	93	87	81
Western Redcedar	RC	1	288	282	276	270	264
		2	278	272	266	260	254
		3	171	165	159	153	147
Sitka Spruce	SS	1	194	188	182	176	170
		2	155	149	143	137	131
		3	134	128	122	116	110
Noble Fir	NF	1	120	114	108	102	96
		2	108	102	96	90	84
		3	106	100	94	88	82
Alaska-cedar	YC	1	338	332	326	320	314
		2	328	322	316	310	304
		3	239	233	227	221	215
Other Conifer	OC	1	216	210	204	198	192
		2	115	109	103	97	91
		3	105	99	93	87	81
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

**TABLE 11--Stumpage Value Table
Stumpage Value Area 4
January 1 through June 30, 1985**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$213	\$206	\$199	\$192	\$185
		2	193	186	179	172	165
		3	168	161	154	147	140
		4	150	143	136	129	122

TABLE 11--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	124	117	110	103	96
		2	113	106	99	92	85
		3	109	102	95	88	81
		4	100	93	86	79	72
True Fir ³	TF	1	124	117	110	103	96
		2	113	106	99	92	85
		3	109	102	95	88	81
		4	100	93	86	79	72
Western Redcedar ⁴	RC	1	215	208	201	194	187
		2	204	197	190	183	176
		3	193	186	179	172	165
Other Conifer	OC	1	124	117	110	103	96
		2	113	106	99	92	85
		3	109	102	95	88	81
		4	100	93	86	79	72
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴ Includes Alaska-cedar.

**TABLE 12--Stumpage Value Table
Stumpage Value Area 4
January 1 through June 30, 1985**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$236	\$230	\$224	\$218	\$212
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	91	85	79	73	67
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

² Stumpage value per 8 lineal feet or portion thereof.

³ Stumpage value per lineal foot.

**TABLE 13--Stumpage Value Table
Stumpage Value Area 5
January 1 through June 30, 1985**

**OLD GROWTH
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$209	\$203	\$197	\$191	\$185
		2	205	199	193	187	181
		3	172	166	160	154	148
Western Hemlock ²	WH	1	144	138	132	126	120
		2	130	124	118	112	106
		3	129	123	117	111	105
True Fir ³	TF	1	144	138	132	126	120
		2	130	124	118	112	106
		3	129	123	117	111	105
Western Redcedar ⁴	RC	1	288	282	276	270	264
		2	223	217	211	205	199
		3	167	161	155	149	143
Sitka Spruce	SS	1	194	188	182	176	170
		2	155	149	143	137	131
		3	134	128	122	116	110
Noble Fir	NF	1	120	114	108	102	96
		2	108	102	96	90	84
		3	106	100	94	88	82
Other Conifer	OC	1	144	138	132	126	120
		2	130	124	118	112	106
		3	129	123	117	111	105
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 14--Stumpage Value Table
Stumpage Value Area 5
January 1 through June 30, 1985**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$202	\$195	\$188	\$181	\$174
		2	179	172	165	158	151
		3	159	152	145	138	131
		4	153	146	139	132	125

**TABLE 14--cont.
Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹**

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Hemlock ²	WH	1	145	138	131	124	117
		2	126	119	112	105	98
		3	100	93	86	79	72
		4	89	82	75	68	61
True Fir ³	TF	1	145	138	131	124	117
		2	126	119	112	105	98
		3	100	93	86	79	72
		4	89	82	75	68	61
Western Redcedar ⁴	RC	1	240	233	226	219	212
		2	162	155	148	141	134
		3	159	152	145	138	131
Other Conifer	OC	1	145	138	131	124	117
		2	126	119	112	105	98
		3	100	93	86	79	72
		4	89	82	75	68	61
Red Alder	RA	1	64	57	50	43	36
Cottonwood	BC	1	55	48	41	34	27
Other Hardwoods	OH	1	64	57	50	43	36
Hardwood Utility	HU	5	6	6	6	6	6
Conifer Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 15--Stumpage Value Table
Stumpage Value Area 5
January 1 through June 30, 1985**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$236	\$230	\$224	\$218	\$212
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	91	85	79	73	67
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot.

**TABLE 16--Stumpage Value Table
Stumpage Value Areas 6, 7, 8, and 9
January 1 through June 30, 1985**

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$229	\$223	\$217	\$211	\$205
		2	118	112	106	100	94
Douglas-fir	DF	1	101	95	89	83	77
Western Larch	WL	1	101	95	89	83	77
Western Hemlock ²	WH	1	84	78	72	66	60
True fir ³	TF	1	84	78	72	66	60
Engelmann Spruce	ES	1	84	78	72	66	60
Western White Pine	WP	1	137	131	125	119	113
Western Redcedar	RC	1	137	131	125	119	113
Lodgepole Pine	LP	1	78	72	66	60	54
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	6	6	6	6	6

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
²Includes Western and Mountain Hemlock.
³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

**TABLE 17--Stumpage Value Table
Stumpage Value Areas 6, 7, 8, and 9
January 1 through June 30, 1985**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$74	\$68	\$62	\$56	\$50
Lodgepole Pine & Other Posts ²	LPP	1	0.19	0.19	0.19	0.19	0.19
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
²Stumpage value per 8 lineal feet or portion thereof.
³Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.
⁴Stumpage value per lineal foot.

**TABLE 18--Stumpage Value Table
Stumpage Value Area 10
January 1 through June 30, 1985**

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$161	\$155	\$149	\$143	\$137
		2	128	122	116	110	104
		3	95	89	83	77	71
Douglas-fir	DF	1	127	121	115	109	103
		2	112	106	100	94	88
		3	97	91	85	79	73
Western Larch	WL	1	127	121	115	109	103
		2	112	106	100	94	88
		3	97	91	85	79	73
Western Hemlock ²	WH	1	112	106	100	94	88
		2	95	89	83	77	71
		3	77	71	65	59	53
True Fir ³	TF	1	112	106	100	94	88
		2	95	89	83	77	71
		3	77	71	65	59	53
Other Conifer	OC	1	112	106	100	94	88
		2	95	89	83	77	71
		3	77	71	65	59	53
Hardwoods	OH	1	18	12	6	1	1
		5	1	1	1	1	1
Utility	CU	5	1	1	1	1	1

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
²Includes Western and Mountain Hemlock.
³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All these species are commonly referred to as "White Fir."

**TABLE 19--Stumpage Value Table
Stumpage Value Area 10
January 1 through June 30, 1985**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$108	\$102	\$96	\$90	\$84
Lodgepole Pine & Other Posts ²	LPP	1	0.19	0.19	0.19	0.19	0.19
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹Stumpage value per MBF Scribner scale. See conversion method Table 2 WAC 458-40-19004.
²Stumpage value per 8 lineal feet or portion thereof.
³Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.
⁴Stumpage value per lineal foot.

[Statutory Authority: Chapter 84.33 RCW. 85-02-026 (Order FT-84-7), § 458-40-18715, filed 12/28/84.]

WAC 458-40-18716 Harvester adjustments-- Tables for January 1 through June 30, 1985. In order to make reasonable and adequate allowances for costs of removal and size of logging operation in computation of stumpage value rates as required by chapter 84.33 RCW, the department has prepared tables which allow for adjustments to the stumpage value rates derived from the stumpage value tables of WAC 458-40-18715.

Harvest adjustments relating to harvest volume per acre, logging conditions and average volume per log shall be allowed against the stumpage value rates for the designated harvest types and in the designated stumpage value areas as set forth in the following tables with the following limitations:

- (1) No harvest adjustment shall be allowed against special forest products.
- (2) No harvest adjustment shall be allowed against utility, conifer utility, and hardwood utility.
- (3) Stumpage value rates for conifers and hardwoods shall be adjusted to a value no lower than \$1 per thousand board feet.

Timber harvesters planning to remove timber from areas having damaged timber may apply to the department for adjustment in stumpage value rates. Such applications should contain a map with the legal description of the area from which the timber will be removed, a description of the damage sustained by the timber, and a listing of additional costs incurred. Such applications should be sent to the Department of Revenue AX-02, Forest Tax Division, General Administration Building, Olympia, Washington 98504, before the harvest commences.

In the event the extent of such timber damage or additional costs are not known at the time the application is filed, the harvester may supplement the application when the necessary information is obtained, but in no event later than 90 days following completion of the harvest unit.

Upon application from any person who plans to harvest damaged timber the department will make a determination as to the amount of adjustment to be allowed. The harvester will be notified by the department of the amount of the adjustment. This amount can then be taken as a credit against tax liabilities or if the harvester is no longer harvesting, a refund will be authorized.

The following harvest adjustment tables are hereby adopted for use during the period of January 1 through June 30, 1985:

**TABLE 1--Harvest Adjustment Table
Stumpage Value Areas 1, 2, 3, 4, and 5
January 1 through June 30, 1985**

OLD GROWTH (100 years of age, or older)		Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
Type of Adjustment	Definition	
I. Volume per acre		
Class 1	Harvest of more than 40 thousand board feet per acre.	\$0.00
Class 2	Harvest of 15 thousand board feet to 40 thousand board feet per acre.	-\$4.00
Class 3	Harvest of less than 15 thousand board feet per acre.	-\$7.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No rock outcrops or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	-\$21.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	-\$44.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$85.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00

**TABLE 2--Harvest Adjustment Table
Stumpage Value Areas 1, 2, 3, 4, and 5
January 1 through June 30, 1985**

YOUNG GROWTH OR THINNING (less than 100 years of age)		Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
Type of Adjustment	Definition	
I. Volume per acre		
Class 1	Harvest of more than 30 thousand board feet per acre.	\$0.00
Class 2	Harvest of 10 thousand board feet to 30 thousand board feet per acre.	-\$2.00
Class 3	Harvest of 5 thousand board feet to but not including 10 thousand board feet per acre.	-\$6.00
Class 4	Harvest of less than 5 thousand board feet per acre.	-\$8.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No significant rock outcrops or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00

TABLE 2--cont.

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	-\$21.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	-\$44.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$85.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00
IV. Thinning (see WAC 458-40-19700 (9)(d))		
Class 1	Average log volume of 50 board feet or more.	-\$25.00
Class 2	Average log volume of less than 50 board feet.	-\$35.00

TABLE 3--Harvest Adjustment Table
Stumpage Value Areas 6, 7, 8, 9, and 10
January 1 through June 30, 1985

MERCHANTABLE SAWTIMBER, ALL AGES

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 8 thousand board feet per acre.	\$0.00
Class 2	Harvest of 3 thousand board feet to 8 thousand board feet per acre.	-\$7.00
Class 3	Harvest of less than 3 thousand board feet per acre.	-\$10.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No rock outcrops or swamp barriers. Generally flat to gentle slopes under 20%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 20% to 40%.	-\$12.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 40%.	-\$33.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$85.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00

DOMESTIC MARKET ADJUSTMENT:

Harvest of timber not sold by a competitive bidding process which is prohibited under the authority of state or federal law from foreign export may be eligible for the domestic market adjustment. The adjustment may be applied only to those species of timber which must be processed domestically. According to type of sale, the adjustment may be applied to the following species:

Federal Timber Sales: All species except Alaska yellow cedar. (Stat. Ref. - 36 CFR 223.10)

State Timber Sales: Western red cedar only. (Stat. Ref. - 50 USC appendix 2406.1)

The adjustment amounts shall be as follows:

Class 1: All eligible species in Western Washington (SVA's 1 through 5) - \$20.00 per MBF

Class 2: All eligible species in Eastern Washington (SVA's 6 through 10) - \$5.00 per MBF

NOTE: The adjustment will not be allowed on conifer utility, hardwood utility or special forest products.

[Statutory Authority: Chapter 84.33 RCW. 85-02-026 (Order FT-84-7), § 458-40-18716, filed 12/28/84.]

WAC 458-40-18717 Stumpage values--Tables for July 1 through December 31, 1985. As required by chapter 84.33 RCW the department has prepared tables which assign stumpage value rates for the various harvest types, which rates vary depending upon the stumpage value area, species, timber quality code number and hauling distance zone involved. Where the timber harvested is used to produce harvest type special forest products the value tables of this section shall establish the values for such special forest products.

The following stumpage value and special forest product value tables are hereby adopted for use during the period of July 1 through December 31, 1985.

TABLE 1--Stumpage Value Table
Stumpage Value Area 1
July 1 through December 31, 1985

OLD GROWTH
(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$155	\$149	\$143	\$137	\$131
		2	93	87	81	75	69
		3	92	86	80	74	68
Western Hemlock ²	WH	1	146	140	134	128	122
		2	104	98	92	86	80
		3	70	64	58	52	46
True Fir ³	TF	1	77	71	65	59	53
		2	73	67	61	55	49
		3	69	63	57	51	45
Western Redcedar ⁴	RC	1	260	254	248	242	236
		2	214	208	202	196	190
		3	181	175	169	163	157

TABLE 1--cont.
Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Sitka Spruce	SS	1	193	187	181	175	169
		2	161	155	149	143	137
		3	110	104	98	92	86
Other Conifer	OC	1	77	71	65	59	53
		2	73	67	61	55	49
		3	69	63	57	51	45
Red Alder	RA	1	41	34	27	20	13
Cottonwood	BC	1	33	26	19	12	5
Other Hardwoods	OH	1	47	40	33	26	19
Hardwood Utility	HU	5	8	8	8	8	8
Conifer Utility	CU	5	10	10	10	10	10

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
²Includes Western and Mountain Hemlock.
³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴Includes Alaska-cedar.

TABLE 2--Stumpage Value Table
Stumpage Value Area 1
July 1 through December 31, 1985

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$157	\$150	\$143	\$136	\$129
		2	157	150	143	136	129
		3	114	107	100	93	86
		4	114	107	100	93	86
Western Hemlock ²	WH	1	104	97	90	83	76
		2	102	95	88	81	74
		3	88	81	74	67	60
		4	82	75	68	61	54
True Fir ³	TF	1	104	97	90	83	76
		2	102	95	88	81	74
		3	88	81	74	67	60
		4	82	75	68	61	54
Western Redcedar ⁴	RC	1	202	195	188	181	174
		2	185	178	171	164	157
		3	167	160	153	146	139
Other Conifer	OC	1	104	97	90	83	76
		2	102	95	88	81	74
		3	88	81	74	67	60
		4	82	75	68	61	54
Red Alder	RA	1	41	34	27	20	13
Cottonwood	BC	1	33	26	19	12	5
Other Hardwoods	OH	1	47	40	33	26	19
Hardwood Utility	HU	5	8	8	8	8	8

TABLE 2--cont.
Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Conifer Utility	CU	5	10	10	10	10	10

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
²Includes Western and Mountain Hemlock.
³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴Includes Alaska-cedar.

TABLE 3--Stumpage Value Table
Stumpage Value Area 1
July 1 through December 31, 1985

SPECIAL FOREST PRODUCTS
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar--Shake Blocks & Boards ¹	RCS	1	\$159	\$153	\$147	\$141	\$135
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	87	81	75	69	63
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
²Stumpage value per 8 lineal feet or portion thereof.
³Stumpage value per lineal foot.

TABLE 4--Stumpage Value Table
Stumpage Value Area 2
July 1 through December 31, 1985

OLD GROWTH
(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$162	\$156	\$150	\$144	\$138
		2	132	126	120	114	108
		3	116	110	104	98	92
Western Hemlock ²	WH	1	108	102	96	90	84
		2	88	82	76	70	64
		3	87	81	75	69	63
True Fir ³	TF	1	72	66	60	54	48
		2	65	59	53	47	41
		3	58	52	46	40	34

TABLE 4--cont.
Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar ⁴	RC	1	262	256	250	244	238
		2	224	218	212	206	200
		3	187	181	175	169	163
Sitka Spruce	SS	1	184	178	172	166	160
		2	150	144	138	132	126
		3	104	98	92	86	80
Other Conifer	OC	1	72	66	60	54	48
		2	65	59	53	47	41
		3	58	52	46	40	34
Red Alder	RA	1	51	44	37	30	23
Cottonwood	BC	1	32	25	18	11	4
Other Hardwoods	OH	1	47	40	33	26	19
Hardwood Utility	HU	5	8	8	8	8	8
Conifer Utility	CU	5	7	7	7	7	7

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
²Includes Western and Mountain Hemlock.
³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴Includes Alaska-cedar.

TABLE 5--Stumpage Value Table
Stumpage Value Area 2
July 1 through December 31, 1985

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$173	\$166	\$159	\$152	\$145
		2	114	107	100	93	86
		3	112	105	98	91	84
		4	102	95	88	81	74
Western Hemlock ²	WH	1	105	98	91	84	77
		2	102	95	88	81	74
		3	89	82	75	68	61
		4	64	57	50	43	36
True Fir ³	TF	1	105	98	91	84	77
		2	102	95	88	81	74
		3	89	82	75	68	61
		4	64	57	50	43	36
Western Redcedar ⁴	RC	1	244	237	230	223	216
		2	159	152	145	138	131
		3	158	151	144	137	130
Other Conifer	OC	1	105	98	91	84	77
		2	102	95	88	81	74
		3	89	82	75	68	61
		4	64	57	50	43	36
Red Alder	RA	1	51	44	37	30	23
Cottonwood	BC	1	32	25	18	11	4
Other Hardwoods	OH	1	47	40	33	26	19
Hardwood Utility	HU	5	8	8	8	8	8

TABLE 5--cont.
Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Conifer Utility	CU	5	7	7	7	7	7

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
²Includes Western and Mountain Hemlock.
³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴Includes Alaska-cedar.

TABLE 6--Stumpage Value Table
Stumpage Value Area 2
July 1 through December 31, 1985

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$159	\$153	\$147	\$141	\$135
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	87	81	75	69	63
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
²Stumpage value per 8 lineal feet or portion thereof.
³Stumpage value per lineal foot.

TABLE 7--Stumpage Value Table
Stumpage Value Area 3
July 1 through December 31, 1985

OLD GROWTH
(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$144	\$138	\$132	\$126	\$120
		2	136	130	124	118	112
		3	122	116	110	104	98
Western Hemlock ²	WH	1	109	103	97	91	85
		2	93	87	81	75	69
		3	74	68	62	56	50
True Fir ³	TF	1	79	73	67	61	55
		2	75	69	63	57	51
		3	72	66	60	54	48

TABLE 7--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar	RC	1	219	213	207	201	195
		2	183	177	171	165	159
		3	181	175	169	163	157
Alaska-cedar	YC	1	219	213	207	201	195
		2	183	177	171	165	159
		3	181	175	169	163	157
Other Conifer	OC	1	79	73	67	61	55
		2	75	69	63	57	51
		3	72	66	60	54	48
Red Alder	RA	1	40	33	26	19	12
Cottonwood	BC	1	36	29	22	15	8
Other Hardwoods	OH	1	47	40	33	26	19
Hardwood Utility	HU	5	8	8	8	8	8
Conifer Utility	CU	5	6	6	6	6	6

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

TABLE 8--Stumpage Value Table
Stumpage Value Area 3
July 1 through December 31, 1985

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$175	\$168	\$161	\$154	\$147
		2	151	144	137	130	123
		3	125	118	111	104	97
		4	102	95	88	81	74
Western Hemlock ²	WH	1	109	102	95	88	81
		2	105	98	91	84	77
		3	72	65	58	51	44
		4	46	39	32	25	18
True Fir ³	TF	1	109	102	95	88	81
		2	105	98	91	84	77
		3	72	65	58	51	44
		4	46	39	32	25	18
Western Redcedar ⁴	RC	1	172	165	158	151	144
		2	160	153	146	139	132
		3	150	143	136	129	122
Other Conifer	OC	1	109	102	95	88	81
		2	105	98	91	84	77
		3	72	65	58	51	44
		4	46	39	32	25	18
Red Alder	RA	1	40	33	26	19	12
Cottonwood	BC	1	36	29	22	15	8
Other Hardwoods	OH	1	47	40	33	26	19
Hardwood Utility	HU	5	8	8	8	8	8

TABLE 8--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Conifer Utility	CU	5	6	6	6	6	6

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western and Mountain Hemlock.
³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

TABLE 9--Stumpage Value Table
Stumpage Value Area 3
July 1 through December 31, 1985

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$159	\$153	\$147	\$141	\$135
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	87	81	75	69	63
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot.

TABLE 10--Stumpage Value Table
Stumpage Value Area 4
July 1 through December 31, 1985

OLD GROWTH
(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$199	\$193	\$187	\$181	\$175
		2	142	136	130	124	118
		3	131	125	119	113	107
Western Hemlock ²	WH	1	131	125	119	113	107
		2	104	98	92	86	80
		3	97	91	85	79	73
True Fir ³	TF	1	92	86	80	74	68
		2	90	84	78	72	66
		3	88	82	76	70	64

TABLE 10--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar	RC	1	232	226	220	214	208
		2	222	216	210	204	198
		3	179	173	167	161	155
Noble Fir	NF	1	92	86	80	74	68
		2	90	84	78	72	66
		3	88	82	76	70	64
Alaska-cedar	YC	1	232	226	220	214	208
		2	222	216	210	204	198
		3	179	173	167	161	155
Other Conifer	OC	1	92	86	80	74	68
		2	90	84	78	72	66
		3	88	82	76	70	64
Red Alder	RA	1	49	42	35	28	21
Cottonwood	BC	1	32	25	18	11	4
Other Hardwoods	OH	1	48	41	34	27	20
Hardwood Utility	HU	5	8	8	8	8	8
Conifer Utility	CU	5	4	4	4	4	4

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

**TABLE 11--Stumpage Value Table
Stumpage Value Area 4**

July 1 through December 31, 1985

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$179	\$172	\$165	\$158	\$151
		2	145	138	131	124	117
		3	131	124	117	110	103
		4	98	91	84	77	70
Western Hemlock ²	WH	1	109	102	95	88	81
		2	88	81	74	67	60
		3	82	75	68	61	54
		4	50	43	36	29	22
True Fir ³	TF	1	109	102	95	88	81
		2	88	81	74	67	60
		3	82	75	68	61	54
		4	50	43	36	29	22
Western Redcedar ⁴	RC	1	173	166	159	152	145
		2	160	153	146	139	132
		3	158	151	144	137	130
Other Conifer	OC	1	109	102	95	88	81
		2	88	81	74	67	60
		3	82	75	68	61	54
		4	50	43	36	29	22
Red Alder	RA	1	49	42	35	28	21
Cottonwood	BC	1	32	25	18	11	4

TABLE 11--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Other Hardwoods	OH	1	48	41	34	27	20
Hardwood Utility	HU	5	8	8	8	8	8
Conifer Utility	CU	5	4	4	4	4	4

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 12--Stumpage Value Table
Stumpage Value Area 4**

July 1 through December 31, 1985

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$159	\$153	\$147	\$141	\$135
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	87	81	75	69	63
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

²Stumpage value per 8 lineal feet or portion thereof.

³Stumpage value per lineal foot.

**TABLE 13--Stumpage Value Table
Stumpage Value Area 5**

July 1 through December 31, 1985

OLD GROWTH

(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$214	\$208	\$202	\$196	\$190
		2	193	187	181	175	169
		3	131	125	119	113	107
Western Hemlock ²	WH	1	141	135	129	123	117
		2	138	132	126	120	114
		3	135	129	123	117	111

TABLE 13--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
True Fir ³	TF	1	130	124	118	112	106
		2	115	109	103	97	91
		3	113	107	101	95	89
Western Redcedar ⁴	RC	1	219	213	207	201	195
		2	177	171	165	159	153
		3	173	167	161	155	149
Noble Fir	NF	1	130	124	118	112	106
		2	115	109	103	97	91
		3	113	107	101	95	89
Other Conifer	OC	1	130	124	118	112	106
		2	115	109	103	97	91
		3	113	107	101	95	89
Red Alder	RA	1	38	31	24	17	10
Cottonwood	BC	1	20	13	6	1	1
Other Hardwoods	OH	1	43	36	29	22	15
Hardwood Utility	HU	5	8	8	8	8	8
Conifer Utility	CU	5	3	3	3	3	3

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 14--Stumpage Value Table
Stumpage Value Area 5
July 1 through December 31, 1985**

YOUNG GROWTH OR THINNING
(less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$164	\$157	\$150	\$143	\$136
		2	121	114	107	100	93
		3	114	107	100	93	86
		4	102	95	88	81	74
Western Hemlock ²	WH	1	106	99	92	85	78
		2	92	85	78	71	64
		3	57	50	43	36	29
		4	56	49	42	35	28
True Fir ³	TF	1	106	99	92	85	78
		2	92	85	78	71	64
		3	57	50	43	36	29
		4	56	49	42	35	28
Western Redcedar ⁴	RC	1	164	157	150	143	136
		2	154	147	140	133	126
		3	126	119	112	105	98
Other Conifer	OC	1	106	99	92	85	78
		2	92	85	78	71	64
		3	57	50	43	36	29
		4	56	49	42	35	28
Red Alder	RA	1	38	31	24	17	10
Cottonwood	BC	1	20	13	6	1	1

TABLE 14--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Other Hardwoods	OH	1	43	36	29	22	15
Hardwood Utility	HU	5	8	8	8	8	8
Conifer Utility	CU	5	3	3	3	3	3

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western and Mountain Hemlock.

³Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 15--Stumpage Value Table
Stumpage Value Area 5
July 1 through December 31, 1985**

SPECIAL FOREST PRODUCTS
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar--Shake Blocks & Boards	RCS	1	\$159	\$153	\$147	\$141	\$135
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	87	81	75	69	63
Western Redcedar & Other Posts ²	RCP	1	0.35	0.35	0.35	0.35	0.35
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

²Stumpage value per 8 lineal feet or portion thereof.

³Stumpage value per lineal foot.

**TABLE 16--Stumpage Value Table
Stumpage Value Area 7
July 1 through December 31, 1985**

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$183	\$177	\$171	\$165	\$159
		2	117	111	105	99	93
Douglas-fir	DF	1	76	70	64	58	52
Western Larch	WL	1	76	70	64	58	52
Western Hemlock ²	WH	1	65	59	53	47	41

TABLE 16--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
True fir ³	TF	1	55	49	43	37	31
Engelmann Spruce	ES	1	50	44	38	32	26
Western Redcedar	RC	1	68	62	56	50	44
Western White Pine	WP	1	66	60	54	48	42
Lodgepole Pine	LP	1	36	30	24	18	12
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	1	1	1	1	1

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

**TABLE 17--Stumpage Value Table
Stumpage Value Area 7
July 1 through December 31, 1985**

SPECIAL FOREST PRODUCTS
Stumpage Values per Product Unit

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$54	\$48	\$42	\$36	\$30
Lodgepole Pine & Other Posts ²	LPP	1	0.22	0.22	0.22	0.22	0.22
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

² Stumpage value per 8 lineal feet or portion thereof.

³ Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.

⁴ Stumpage value per lineal foot.

**TABLE 18--Stumpage Value Table
Stumpage Value Areas 6, 8, and 9
July 1 through December 31, 1985**

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$120	\$114	\$108	\$102	\$ 96
		2	99	93	87	81	75
Douglas-fir	DF	1	74	68	62	56	50

TABLE 18--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Larch	WL	1	74	68	62	56	50
Western Hemlock ²	WH	1	85	79	73	67	61
True fir ³	TF	1	60	54	48	42	36
Engelmann Spruce	ES	1	52	46	40	34	28
Western White Pine	WP	1	178	172	166	160	154
Western Redcedar	RC	1	153	147	141	135	129
Lodgepole Pine	LP	1	60	54	48	42	36
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	3	3	3	3	3

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All of these species are commonly referred to as "White Fir."

**TABLE 19--Stumpage Value Table
Stumpage Value Areas 6, 8, and 9
July 1 through December 31, 1985**

SPECIAL FOREST PRODUCTS
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$54	\$48	\$42	\$36	\$30
Lodgepole Pine & Other Posts ²	LPP	1	0.22	0.22	0.22	0.22	0.22
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

² Stumpage value per 8 lineal feet or portion thereof.

³ Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.

⁴ Stumpage value per lineal foot.

**TABLE 20--Stumpage Value Table
Stumpage Value Area 10
July 1 through December 31, 1985**

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$161	\$155	\$149	\$143	\$137
		2	128	122	116	110	104
		3	95	89	83	77	71
Douglas-fir	DF	1	127	121	115	109	103
		2	112	106	100	94	88
		3	97	91	85	79	73
Western Larch	WL	1	127	121	115	109	103
		2	112	106	100	94	88
		3	97	91	85	79	73
Western Hemlock ²	WH	1	77	71	65	59	53
		2	73	67	61	55	49
		3	65	59	53	47	41
True Fir ³	TF	1	107	101	95	89	83
		2	87	81	75	69	63
		3	67	61	55	49	43
Other Conifer	OC	1	107	101	95	89	83
		2	87	81	75	69	63
		3	67	61	55	49	43
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	1	1	1	1	1

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western and Mountain Hemlock.

³ Includes Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. All these species are commonly referred to as "White Fir."

**TABLE 21--Stumpage Value Table
Stumpage Value Area 10
July 1 through December 31, 1985**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$87	\$81	\$75	\$69	\$63
Lodgepole Pine & Other Posts ²	LPP	1	0.22	0.22	0.22	0.22	0.22
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹ Stumpage value per MBF Scribner scale. See conversion method Table 2 WAC 458-40-19004.

² Stumpage value per 8 lineal feet or portion thereof.

³ Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.

⁴ Stumpage value per lineal foot.

[Statutory Authority: Chapter 84.33 RCW. 85-14-048 (Order FT-85-2), § 458-40-18717, filed 6/28/85.]

WAC 458-40-18718 Harvester adjustments-- Tables for July 1 through December 31, 1985. In order to make reasonable and adequate allowances for costs of removal and size of logging operation in computation of stumpage value rates as required by chapter 84.33 RCW, the department has prepared tables which allow for adjustments to the stumpage value rates derived from the stumpage value tables of WAC 458-40-18717.

Harvest adjustments relating to harvest volume per acre, logging conditions and average volume per log shall be allowed against the stumpage value rates for the designated harvest types and in the designated stumpage value areas as set forth in the following tables with the following limitations:

- (1) No harvest adjustment shall be allowed against special forest products.
- (2) No harvest adjustment shall be allowed against utility, conifer utility, and hardwood utility.
- (3) Stumpage value rates for conifers and hardwoods shall be adjusted to a value no lower than \$1 per thousand board feet.

Timber harvesters planning to remove timber from areas having damaged timber may apply to the department for adjustment in stumpage value rates. Such applications should contain a map with the legal description of the area from which the timber will be removed, a description of the damage sustained by the timber, and a listing of additional costs incurred. Such applications should be sent to the Department of Revenue AX-02, Forest Tax Division, General Administration Building, Olympia, Washington 98504, before the harvest commences.

In the event the extent of such timber damage or additional costs are not known at the time the application is filed, the harvester may supplement the application when the necessary information is obtained, but in no event later than 90 days following completion of the harvest unit.

Upon application from any person who plans to harvest damaged timber the department will make a determination as to the amount of adjustment to be allowed. The harvester will be notified by the department of the amount of the adjustment. This amount can then be taken as a credit against tax liabilities or if the harvester is no longer harvesting, a refund will be authorized.

The following harvest adjustment tables are hereby adopted for use during the period of July 1 through December 31, 1985:

**TABLE 1--Harvest Adjustment Table
Stumpage Value Areas 1, 2, 3, 4, and 5
July 1 through December 31, 1985**

**OLD GROWTH
(100 years of age, or older)**

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 40 thousand board feet per acre.	\$0.00
Class 2	Harvest of 15 thousand board feet to 40 thousand board feet per acre.	-\$4.00
Class 3	Harvest of less than 15 thousand board feet per acre.	-\$7.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No rock outcrops or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	-\$6.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	-\$13.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$95.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00

**TABLE 2--Harvest Adjustment Table
Stumpage Value Areas 1, 2, 3, 4, and 5
July 1 through December 31, 1985**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 30 thousand board feet per acre.	\$0.00
Class 2	Harvest of 10 thousand board feet to 30 thousand board feet per acre.	-\$2.00
Class 3	Harvest of 5 thousand board feet to but not including 10 thousand board feet per acre.	-\$6.00
Class 4	Harvest of less than 5 thousand board feet per acre.	-\$8.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No significant rock outcrops or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00

TABLE 2--cont.

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	-\$6.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	-\$13.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$95.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00
IV. Thinning (see WAC 458-40-18700 (12)(d))		
Class 1	Average log volume of 50 board feet or more.	-\$25.00
Class 2	Average log volume of less than 50 board feet.	-\$35.00

**TABLE 3--Harvest Adjustment Table
Stumpage Value Areas 6, 7, 8, 9, and 10
July 1 through December 31, 1985**

MERCHANTABLE SAWTIMBER, ALL AGES

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 8 thousand board feet per acre.	\$0.00
Class 2	Harvest of 3 thousand board feet to 8 thousand board feet per acre.	-\$7.00
Class 3	Harvest of less than 3 thousand board feet per acre.	-\$10.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No rock outcrops or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	-\$11.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	-\$26.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$104.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00

DOMESTIC MARKET ADJUSTMENT:

Harvest of timber not sold by a competitive bidding process which is prohibited under the authority of state or federal law from foreign export may be eligible for the domestic market adjustment. The adjustment may be applied only to those species of timber which must be processed domestically. According to type of sale, the adjustment may be applied to the following species:

Federal Timber Sales: All species except Alaska yellow cedar. (Stat. Ref. - 36 CFR 223.10)

State Timber Sales: Western red cedar only. (Stat. Ref. - 50 USC appendix 2406.1)

The adjustment amounts shall be as follows:

Class 1: All eligible species in Western Washington (SVA's 1 through 5) - \$13.00 per MBF

Class 2: All eligible species in Eastern Washington (SVA's 6 through 10) - \$5.00 per MBF

NOTE: The adjustment will not be allowed on conifer utility, hardwood utility or special forest products.

[Statutory Authority: Chapter 84.33 RCW. 85-14-048 (Order FT-85-2), § 458-40-18718, filed 6/28/85.]

WAC 458-40-18719 Stumpage values--Tables for January 1 through June 30, 1986. As required by chapter 84.33 RCW the department has prepared tables which assign stumpage value rates for the various harvest types, which rates vary depending upon the stumpage value area, species, timber quality code number and hauling distance zone involved. Where the timber harvested is used to produce harvest type special forest products the value tables of this section shall establish the values for such special forest products.

The following stumpage value and special forest product value tables are hereby adopted for use during the period of January 1 through June 30, 1986.

**TABLE 1--Stumpage Value Table
Stumpage Value Area 1
January 1 through June 30, 1986**

**OLD GROWTH
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$167	\$161	\$155	\$149	\$143
		2	112	106	100	94	88
		3	110	104	98	92	86
Western Hemlock ²	WH	1	147	141	135	129	123
		2	100	94	88	82	76
		3	63	57	51	45	39
Western Redcedar ³	RC	1	234	228	222	216	210
		2	208	202	196	190	184
		3	182	176	170	164	158
Sitka Spruce	SS	1	195	189	183	177	171
		2	163	157	151	145	139
		3	74	68	62	56	50

TABLE 1--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Other Conifer	OC	1	147	141	135	129	123
		2	100	94	88	82	76
		3	63	57	51	45	39
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	32	25	18	11	4
Other Hardwoods	OH	1	41	34	27	20	13
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	11	11	11	11	11

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."

³ Includes Alaska-cedar.

**TABLE 2--Stumpage Value Table
Stumpage Value Area 1
January 1 through June 30, 1986**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$157	\$150	\$143	\$136	\$129
		2	156	149	142	135	128
		3	128	121	114	107	100
		4	119	112	105	98	91
Western Hemlock ²	WH	1	109	102	95	88	81
		2	99	92	85	78	71
		3	82	75	68	61	54
		4	80	73	66	59	52
Western Redcedar ³	RC	1	189	182	175	168	161
		2	177	170	163	156	149
		3	168	161	154	147	140
Other Conifer	OC	1	109	102	95	88	81
		2	99	92	85	78	71
		3	82	75	68	61	54
		4	80	73	66	59	52
Red Alder	RA	1	45	38	31	24	17
Cottonwood	BC	1	32	25	18	11	4
Other Hardwoods	OH	1	41	34	27	20	13
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	11	11	11	11	11

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

² Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."

³ Includes Alaska-cedar.

**TABLE 3--Stumpage Value Table
Stumpage Value Area 1
January 1 through June 30, 1986**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$115	\$109	\$103	\$97	\$91
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	46	40	34	28	22
Western Redcedar & Other Posts ²	RCP	1	0.31	0.31	0.31	0.31	0.31
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot.

**TABLE 4--Stumpage Value Table
Stumpage Value Area 2
January 1 through June 30, 1986**

OLD GROWTH

(100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$166	\$160	\$154	\$148	\$142
		2	137	131	125	119	113
		3	112	106	100	94	88
Western Hemlock ²	WH	1	109	103	97	91	85
		2	101	95	89	83	77
		3	70	64	58	52	46
Western Redcedar ³	RC	1	247	241	235	229	223
		2	208	202	196	190	184
		3	173	167	161	155	149
Sitka Spruce	SS	1	190	184	178	172	166
		2	135	129	123	117	111
		3	116	110	104	98	92
Other Conifer	OC	1	109	103	97	91	85
		2	101	95	89	83	77
		3	70	64	58	52	46
Red Alder	RA	1	51	44	37	30	23

TABLE 4--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Cottonwood	BC	1	39	32	25	18	11
Other Hardwoods	OH	1	41	34	27	20	13
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	12	12	12	12	12

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."
³ Includes Alaska-cedar.

**TABLE 5--Stumpage Value Table
Stumpage Value Area 2
January 1 through June 30, 1986**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$177	\$170	\$163	\$156	\$149
		2	153	146	139	132	125
		3	106	99	92	85	78
		4	102	95	88	81	74
Western Hemlock ²	WH	1	92	85	78	71	64
		2	89	82	75	68	61
		3	89	82	75	68	61
		4	64	57	50	43	36
Western Redcedar ³	RC	1	226	219	212	205	198
		2	159	152	145	138	131
		3	150	143	136	129	122
Other Conifer	OC	1	92	85	78	71	64
		2	89	82	75	68	61
		3	89	82	75	68	61
		4	64	57	50	43	36
Red Alder	RA	1	51	44	37	30	23
Cottonwood	BC	1	39	32	25	18	11
Other Hardwoods	OH	1	41	34	27	20	13
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	12	12	12	12	12

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."
³ Includes Alaska-cedar.

**TABLE 6--Stumpage Value Table
Stumpage Value Area 2
January 1 through June 30, 1986**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$115	\$109	\$103	\$ 97	\$ 91
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	46	40	34	28	22
Western Redcedar & Other Posts ²	RCP	1	0.31	0.31	0.31	0.31	0.31
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot.

**TABLE 7--Stumpage Value Table
Stumpage Value Area 3
January 1 through June 30, 1986**

**OLD GROWTH
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$178	\$172	\$166	\$160	\$154
		2	164	158	152	146	140
		3	117	111	105	99	93
Western Hemlock ²	WH	1	116	110	104	98	92
		2	78	72	66	60	54
		3	62	56	50	44	38
Western Redcedar ³	RC	1	185	179	173	167	161
		2	181	175	169	163	157
		3	147	141	135	129	123
Other Conifer	OC	1	116	110	104	98	92
		2	78	72	66	60	54
		3	62	56	50	44	38
Red Alder	RA	1	40	33	26	19	12
Cottonwood	BC	1	36	29	22	15	8

TABLE 7--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Other Hardwoods	OH	1	41	34	27	20	13
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	10	10	10	10	10

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."
³ Includes Alaska-cedar.

**TABLE 8--Stumpage Value Table
Stumpage Value Area 3
January 1 through June 30, 1986**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir	DF	1	\$170	\$163	\$156	\$149	\$142
		2	151	144	137	130	123
		3	142	135	128	121	114
		4	131	124	117	110	103
Western Hemlock ²	WH	1	105	98	91	84	77
		2	93	86	79	72	65
		3	77	70	63	56	49
		4	65	58	51	44	37
Western Redcedar ³	RC	1	161	154	147	140	133
		2	155	148	141	134	127
		3	148	141	134	127	120
Other Conifer	OC	1	105	98	91	84	77
		2	93	86	79	72	65
		3	77	70	63	56	49
		4	65	58	51	44	37
Red Alder	RA	1	40	33	26	19	12
Cottonwood	BC	1	36	29	22	15	8
Other Hardwoods	OH	1	41	34	27	20	13
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	10	10	10	10	10

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."
³ Includes Alaska-cedar.

**TABLE 9--Stumpage Value Table
Stumpage Value Area 3
January 1 through June 30, 1986**

**SPECIAL FOREST PRODUCTS
Stumpage Values per Product Unit**

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$115	\$109	\$103	\$ 97	\$ 91
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	46	40	34	28	22
Western Redcedar & Other Posts ²	RCP	1	0.31	0.31	0.31	0.31	0.31
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot.

**TABLE 10--Stumpage Value Table
Stumpage Value Area 4
January 1 through June 30, 1986**

**OLD GROWTH
(100 years of age or older)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir ² 55	DF	1	\$179	\$173	\$167	\$161	\$1
		2	139	133	127	121	115
		3	117	111	105	99	93
Western Hemlock ³	WH	1	117	111	105	99	93
		2	86	80	74	68	62
		3	85	79	73	67	61
Western Redcedar ⁴	RC	1	280	274	268	262	256
		2	199	193	187	181	175
		3	158	152	146	140	134
Other Conifer	OC	1	117	111	105	99	93
		2	86	80	74	68	62
		3	85	79	73	67	61
Red Alder	RA	1	46	39	32	25	18

TABLE 10--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Cottonwood	BC	1	30	23	16	9	2
Other Hardwoods	OH	1	40	33	26	19	12
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	8	8	8	8	8

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western Larch.
³ Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 11--Stumpage Value Table
Stumpage Value Area 4
January 1 through June 30, 1986**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir ² 62	DF	1	\$190	\$183	\$176	\$169	\$1
		2	153	146	139	132	125
		3	126	119	112	105	98
		4	95	88	81	74	67
Western Hemlock ³	WH	1	111	104	97	90	83
		2	91	84	77	70	63
		3	86	79	72	65	58
		4	55	48	41	34	27
Western Redcedar ⁴	RC	1	204	197	190	183	176
		2	162	155	148	141	134
		3	153	146	139	132	125
Other Conifer	OC	1	111	104	97	90	83
		2	91	84	77	70	63
		3	86	79	72	65	58
		4	55	48	41	34	27
Red Alder	RA	1	46	39	32	25	18
Cottonwood	BC	1	30	23	16	9	2
Other Hardwoods	OH	1	40	33	26	19	12
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	8	8	8	8	8

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western Larch.
³ Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

TABLE 12--Stumpage Value Table
Stumpage Value Area 4
 January 1 through June 30, 1986

SPECIAL FOREST PRODUCTS
 Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$115	\$109	\$103	\$97	\$91
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	46	40	34	28	22
Western Redcedar & Other Posts ²	RCP	1	0.31	0.31	0.31	0.31	0.31
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True Fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot.

TABLE 13--Stumpage Value Table
Stumpage Value Area 5
 January 1 through June 30, 1986

OLD GROWTH
 (100 years of age or older)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir ²	DF	1	\$228	\$222	\$216	\$210	\$204
		2	210	204	198	192	186
		3	151	145	139	133	127
Western Hemlock ³	WH	1	130	124	118	112	106
		2	127	121	115	109	103
		3	123	117	111	105	99
Western Redcedar ⁴	RC	1	216	210	204	198	192
		2	174	168	162	156	150
		3	155	149	143	137	131
Other Conifer	OC	1	130	124	118	112	106
		2	127	121	115	109	103
		3	123	117	111	105	99
Red Alder	RA	1	39	32	25	18	11

TABLE 13--cont.

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Cottonwood	BC	1	26	19	12	5	1
Other Hardwoods	OH	1	44	37	30	23	16
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	6	6	6	6	6

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western Larch.
³ Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

TABLE 14--Stumpage Value Table
Stumpage Value Area 5
 January 1 through June 30, 1986

YOUNG GROWTH OR THINNING
 (less than 100 years of age)

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Douglas-fir ²	DF	1	\$166	\$159	\$152	\$145	\$138
		2	123	116	109	102	95
		3	111	104	97	90	83
		4	102	95	88	81	74
Western Hemlock ³	WH	1	107	100	93	86	79
		2	84	77	70	63	56
		3	74	67	60	53	46
		4	67	60	53	46	39
Western Redcedar ⁴	RC	1	196	189	182	175	168
		2	138	131	124	117	110
		3	129	122	115	108	101
Other Conifer	OC	1	107	100	93	86	79
		2	84	77	70	63	56
		3	74	67	60	53	46
		4	67	60	53	46	39
Red Alder	RA	1	39	32	25	18	11
Cottonwood	BC	1	26	19	12	5	1
Other Hardwoods	OH	1	44	37	30	23	16
Hardwood Utility	HU	5	10	10	10	10	10
Conifer Utility	CU	5	6	6	6	6	6

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western Larch.
³ Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."
⁴ Includes Alaska-cedar.

**TABLE 15--Stumpage Value Table
Stumpage Value Area 5
January 1 through June 30, 1986**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar-Shake Blocks & Boards ¹	RCS	1	\$115	\$109	\$103	\$97	\$91
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	46	40	34	28	22
Western Redcedar & Other Posts ²	RCP	1	0.31	0.31	0.31	0.31	0.31
Douglas-fir Christmas Trees ³	DFX	1	0.25	0.25	0.25	0.25	0.25
True fir & Other Christmas Trees ³	TFX	1	0.50	0.50	0.50	0.50	0.50

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

²Stumpage value per 8 lineal feet or portion thereof.

³Stumpage value per lineal foot.

**TABLE 17--Stumpage Value Table
Stumpage Value Area 7
January 1 through June 30, 1986**

SPECIAL FOREST PRODUCTS

Stumpage Values per Product Unit

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$54	\$48	\$42	\$36	\$30
Lodgepole Pine & Other Posts ²	LPP	1	0.22	0.22	0.22	0.22	0.22
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.

²Stumpage value per 8 lineal feet or portion thereof.

³Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.

⁴Stumpage value per lineal foot.

**TABLE 16--Stumpage Value Table
Stumpage Value Area 7
January 1 through June 30, 1986**

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$150	\$144	\$138	\$132	\$126
		2	90	84	78	72	66
Douglas-fir ²	DF	1	80	74	68	62	56
Western Hemlock ³	WH	1	62	56	50	44	38
Engelmann Spruce	ES	1	52	46	40	34	28
Western Redcedar ⁴	RC	1	152	146	140	134	128
Western White Pine	WP	1	152	146	140	134	128
Lodgepole Pine	LP	1	50	44	38	32	26
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	1	1	1	1	1

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western Larch.

³Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 18--Stumpage Value Table
Stumpage Value Areas 6, 8 and 9
January 1 through June 30, 1986**

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$124	\$118	\$112	\$106	\$100
		2	94	88	82	76	70
Douglas-fir ²	DF	1	71	65	59	53	47
Western Hemlock ³	WH	1	47	41	35	29	23
Engelmann Spruce	ES	1	47	41	35	29	23
Western Redcedar ⁴	RC	1	130	124	118	112	106
Western White Pine	WP	1	130	124	118	112	106
Lodgepole Pine	LP	1	47	41	35	29	23
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	2	2	2	2	2

¹Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.

²Includes Western Larch.

³Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."

⁴Includes Alaska-cedar.

**TABLE 19--Stumpage Value Table
Stumpage Value Areas 6, 8 and 9
January 1 through June 30, 1986**

SPECIAL FOREST PRODUCTS
Stumpage Values per Product Unit

Species Name and Product	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$54	\$48	\$42	\$36	\$30
Lodgepole Pine & Other Posts ²	LPP	1	0.22	0.22	0.22	0.22	0.22
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.
⁴ Stumpage value per lineal foot.

**TABLE 21--Stumpage Value Table
Stumpage Value Area 10
January 1 through June 30, 1986**

SPECIAL FOREST PRODUCTS
Stumpage Values per Product Unit

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Western Redcedar Flatsawn & Shingle Blocks ¹	RCF	1	\$54	\$48	\$42	\$36	\$30
Lodgepole Pine & Other Posts ²	LPP	1	0.22	0.22	0.22	0.22	0.22
Pine Christmas Trees ³	PX	1	0.25	0.25	0.25	0.25	0.25
Douglas-fir & Other Christmas Trees ⁴	DFX	1	0.25	0.25	0.25	0.25	0.25

¹ Stumpage value per MBF net Scribner scale. See conversion method Table 2 WAC 458-40-19004.
² Stumpage value per 8 lineal feet or portion thereof.
³ Stumpage value per lineal foot. Includes Ponderosa Pine, Western White Pine, and Lodgepole Pine.
⁴ Stumpage value per lineal foot.

[Statutory Authority: Chapter 84.33 RCW, 86-02-045 (Order FT-85-5), § 458-40-18719, filed 12/31/85.]

**TABLE 20--Stumpage Value Table
Stumpage Value Area 10
January 1 through June 30, 1986**

MERCHANTABLE SAWTIMBER, ALL AGES

Stumpage Values per Thousand Board Feet Net Scribner Log Scale¹

Species Name	Species Code	Timber Quality Code Number	Hauling Distance Zone Number				
			1	2	3	4	5
Ponderosa Pine	PP	1	\$79	\$73	\$67	\$61	\$55
		2	65	59	53	47	41
		3	50	44	38	32	26
Douglas-fir ²	DF	1	97	91	85	79	73
		2	92	86	80	74	68
		3	48	42	36	30	24
Western Hemlock ³	WH	1	78	72	66	60	54
		2	75	69	63	57	51
		3	73	67	61	55	49
Other Conifer	OC	1	78	72	66	60	54
		2	75	69	63	57	51
		3	73	67	61	55	49
Hardwoods	OH	1	18	12	6	1	1
Utility	CU	5	5	5	5	5	5

¹ Log scale conversions between Western and Eastern Washington. See conversion method Tables 4 and 5 WAC 458-40-19004.
² Includes Western Larch.
³ Includes Western Hemlock, Mountain Hemlock, Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir. Pacific Silver Fir, Noble Fir, Grand Fir, and Subalpine Fir are all commonly referred to as "White Fir."

WAC 458-40-18720 Harvester adjustments--
Tables for January 1 through June 30, 1986. In order to make reasonable and adequate allowances for costs of removal and size of logging operation in computation of stumpage value rates as required by chapter 84.33 RCW, the department has prepared tables which allow for adjustments to the stumpage value rates derived from the stumpage value tables of WAC 458-40-18719.

Harvest adjustments relating to harvest volume per acre, logging conditions and average volume per log shall be allowed against the stumpage value rates for the designated harvest types and in the designated stumpage value areas as set forth in the following tables with the following limitations:

- (1) No harvest adjustment shall be allowed against special forest products.
- (2) No harvest adjustment shall be allowed against utility, conifer utility, and hardwood utility.
- (3) Stumpage value rates for conifers and hardwoods shall be adjusted to a value no lower than \$1 per thousand board feet.

Timber harvesters planning to remove timber from areas having damaged timber may apply to the department for adjustment in stumpage value rates. Such applications should contain a map with the legal description of the area from which the timber will be removed, a description of the damage sustained by the timber, and a listing of additional costs incurred. Such

applications should be sent to the Department of Revenue AX-02, Forest Tax Division, General Administration Building, Olympia, Washington 98504, before the harvest commences.

In the event the extent of such timber damage or additional costs are not known at the time the application is filed, the harvester may supplement the application when the necessary information is obtained, but in no event later than 90 days following completion of the harvest unit.

Upon application from any person who plans to harvest damaged timber the department will make a determination as to the amount of adjustment to be allowed. The harvester will be notified by the department of the amount of the adjustment. This amount can then be taken as a credit against tax liabilities or if the harvester is no longer harvesting, a refund will be authorized.

The following harvest adjustment tables are hereby adopted for use during the period of January 1 through June 30, 1986:

**TABLE 1--Harvest Adjustment Table
Stumpage Value Areas 1, 2, 3, 4, and 5
January 1 through June 30, 1986**

**OLD GROWTH
(100 years of age, or older)**

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 40 thousand board feet per acre.	\$0.00
Class 2	Harvest of 15 thousand board feet to 40 thousand board feet per acre.	-\$4.00
Class 3	Harvest of less than 15 thousand board feet per acre.	-\$7.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No significant rock outcrops or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	-\$7.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	-\$16.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$99.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00

**TABLE 2--Harvest Adjustment Table
Stumpage Value Areas 1, 2, 3, 4, and 5
January 1 through June 30, 1986**

**YOUNG GROWTH OR THINNING
(less than 100 years of age)**

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 30 thousand board feet per acre.	\$0.00
Class 2	Harvest of 10 thousand board feet to 30 thousand board feet per acre.	-\$2.00
Class 3	Harvest of 5 thousand board feet to but not including 10 thousand board feet per acre.	-\$6.00
Class 4	Harvest of less than 5 thousand board feet per acre.	-\$8.00
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No significant rock outcrops or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	-\$7.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	-\$16.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	-\$99.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00
IV. Thinning (see WAC 458-40-18700 (12)(d))		
Class 1	Average log volume of 50 board feet or more.	-\$25.00
Class 2	Average log volume of less than 50 board feet.	-\$35.00

**TABLE 3--Harvest Adjustment Table
Stumpage Value Areas 6, 7, 8, 9 and 10
January 1 through June 30, 1986**

MERCHANTABLE SAWTIMBER, ALL AGES

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 8 thousand board feet per acre.	\$0.00
Class 2	Harvest of 3 thousand board feet to 8 thousand board feet per acre.	-\$7.00
Class 3	Harvest of less than 3 thousand board feet per acre.	-\$10.00

TABLE 3--cont.

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
II. Logging conditions		
Class 1	Favorable logging conditions and easy road construction. No significant rock outcrops or swamp barriers. Generally flat to gentle slopes under 40%.	\$0.00
Class 2	Average logging conditions and average road construction. Some rock outcrops or swamp barriers. Generally slopes between 40% to 60%.	- \$13.00
Class 3	Difficult logging and road building conditions because of numerous rock outcrops and bluffs. Generally rough, broken ground with slopes in excess of 60%.	- \$26.00
Class 4	For logs which are yarded from stump to landing by helicopter. This does not include special forest products.	- \$109.00
III. Remote island adjustment:		
	For timber harvested from a remote island	- \$50.00

DOMESTIC MARKET ADJUSTMENT:

Harvest of timber not sold by a competitive bidding process which is prohibited under the authority of state or federal law from foreign export may be eligible for the domestic market adjustment. The adjustment may be applied only to those species of timber which must be processed domestically. According to type of sale, the adjustment may be applied to the following species:

Federal Timber Sales: All species except Alaska yellow cedar. (Stat. Ref. - 36 CFR 223.10)

State Timber Sales: Western red cedar only. (Stat. Ref. - 50 USC appendix 2406.1)

The adjustment amounts shall be as follows:

Class 1:	All eligible species in Western Washington (SVA's 1 through 5)	- \$13.00 per MBF
Class 2:	All eligible species in Eastern Washington (SVA's 6 through 7)	- \$10.00 per MBF

NOTE: The adjustment will not be allowed on conifer utility, hardwood utility or special forest products.

[Statutory Authority: Chapter 84.33 RCW. 86-02-045 (Order FT-85-5), § 458-40-18720, filed 12/31/85.]

WAC 458-40-19005 Timber excise tax credit for personal property tax. (1) General. Pursuant to RCW 84.33.077 and 84.36.473, persons engaged in business as harvesters of timber from public land shall be allowed to take a tax credit against the timber excise tax imposed under RCW 84.33.071 for any personal property taxes paid to a county on such public timber sales. The credit shall be allowed only for property taxes paid on public timber purchased on or after August 1, 1982. The credit shall be taken only on excise taxes due on timber harvested from public land. No excise tax credits shall be allowed against excise taxes due on timber harvested from private land.

(2) Definition of public timber. Public timber shall mean all timber standing on, or harvested or removed from land owned by federal, state, county, or municipal

government or other government entity. Public timber shall not include timber standing on, or harvested or removed from Indian tribal land.

(3) Amount of credit. The total dollar amount of all excise tax credits claimed on one or more sales shall not exceed the total amount of all personal property taxes levied and paid on such timber. No excise tax credit shall be allowed for property tax penalties or interest charges imposed on delinquent property taxes. No excise tax credits shall be allowed prior to payment of personal property taxes, and the amount of credit allowed shall not exceed the amount of property tax actually paid as certified by the county treasurer.

(4) Excess credits, refunds. If the amount of the credit exceeds the amount of timber excise tax due for the calendar quarter in which the credit is claimed, the excess credit shall be carried forward to the next quarterly reporting period and applied against the amount of timber excise tax due, if any, on public timber. Excise tax refunds for unused credit shall be made only if the taxpayer has no public timber sales pending against which to apply the unused credit.

(5) Credit application procedures. Taxpayers who wish to claim timber excise tax credits for personal property taxes paid must make application on forms prepared by the department of revenue. The application form must be completed in full and certified with the signatures of the county assessor and the county treasurer of the county in which the property taxes were paid. Credit application forms shall be made available in the offices of county assessors, county treasurers and the department of revenue. Credit applications must be submitted with timber excise tax returns for taxes due on public timber. [Statutory Authority: RCW 84.33.077. 84-08-021 (Order FT-84-2), § 458-40-19005, filed 3/28/84.]

WAC 458-40-19109 Forest land values--1985. The forest land values, per acre, for each grade of forest land for the 1985 assessment year are determined to be as follows:

1985 WASHINGTON FOREST LAND VALUES		
LAND GRADE	OPERABILITY CLASS	VALUES PER ACRE
1	1	\$157
	2	152
	3	145
	4	106
2	1	131
	2	127
	3	123
	4	89

1985 WASHINGTON FOREST LAND VALUES		
LAND GRADE	OPERABILITY CLASS	VALUES PER ACRE
3	1	104
	2	101
	3	96
	4	74
4	1	78
	2	76
	3	74
	4	58
5	1	57
	2	53
	3	51
	4	34
6	1	29
	2	28
	3	28
	4	25
7	1	14
	2	14
	3	13
	4	13
8		1

[Statutory Authority: RCW 84.33.120 as amended by 1984 c 204. 84-24-011 (Order FT 84-5), § 458-40-19109, filed 11/27/84.]

WAC 458-40-19110 Forest land values--1986. The forest land values, per acre, for each grade of forest land for the 1986 assessment year are determined to be as follows:

1986 WASHINGTON FOREST LAND VALUES		
LAND GRADE	OPERABILITY CLASS	VALUES PER ACRE
1	1	\$148
	2	143
	3	137
	4	100

1986 WASHINGTON FOREST LAND VALUES		
LAND GRADE	OPERABILITY CLASS	VALUES PER ACRE
2	1	124
	2	120
	3	116
	4	84
3	1	98
	2	95
	3	91
	4	70
4	1	74
	2	72
	3	70
	4	55
5	1	54
	2	50
	3	48
	4	32
6	1	27
	2	26
	3	26
	4	24
7	1	13
	2	13
	3	12
	4	12
8		1

[Statutory Authority: RCW 84.33.120. 85-24-036 (Order FT-85-3), § 458-40-19110, filed 11/27/85.]

**Chapter 458-53 WAC
PROPERTY TAX ANNUAL RATIO STUDY**

WAC	
458-53-030	Stratification of assessment rolls—Real property.
458-53-060	Repealed.
458-53-080	Sales samples.
458-53-090	Sales samples—Assessed valuation.
458-53-100	Use of county sales studies.
458-53-110	Property values used in the ratio study.
458-53-130	Real property appraisal studies.
458-53-140	Personal property audit studies.
458-53-141	Personal property audit selection.
458-53-150	Indicated real property ratio—Computation.
458-53-160	Indicated personal property ratio—Computation.
458-53-163	Mobile homes—Use in study.
458-53-165	Property not properly valued—Use in study.
458-53-170	Repealed.

- 458-53-180 Use of indicated ratios.
- 458-53-190 Repealed.
- 458-53-200 Certification of county preliminary and indicated ratios—Review.
- 458-53-210 Appeals.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 458-53-060 Stratification—Personal property. [Statutory Authority: RCW 84.48.075. 79-11-029 (Order PT 79-3), § 458-53-060, filed 10/11/79. Formerly WAC 458-52-050.] Repealed by 84-14-039 (Order PT 84-2), filed 6/29/84. Statutory Authority: RCW 84.48.075.
- 458-53-170 Final indicated ratio—Computation. [Statutory Authority: RCW 84.48.075. 79-11-029 (Order PT 79-3), § 458-53-170, filed 10/11/79. Formerly WAC 458-52-110.] Repealed by 84-14-039 (Order PT 84-2), filed 6/29/84. Statutory Authority: RCW 84.48.075.
- 458-53-190 County assessor's review. [Statutory Authority: RCW 84.48.075. 79-11-029 (Order PT 79-3), § 458-53-190, filed 10/11/79. Formerly WAC 458-52-130.] Repealed by 84-14-039 (Order PT 84-2), filed 6/29/84. Statutory Authority: RCW 84.48.075.

WAC 458-53-030 Stratification of assessment rolls—Real property. (1) The stratification process is the grouping of data into meaningful classifications for informational or analytical purposes. Stratification is used in determining the number of appraisals or audits needed for ratio study purposes and also is used in actual ratio computation. The latest available official county assessment roll values are used in ratio study stratification procedures.

Assessed valuation presently forms the basis for stratification of assessment rolls and is used because the nature of most assessors' records provides a state-wide uniformity for this characteristic. Also, the values in this classification generally are indicative of property types. By not later than the 1982 assessment year a land use classification system will replace the value stratification as assessors' records uniformly reflect properties according to their use.

(2) The stratification of the real property assessment rolls will include a parcel count of the taxable real property parcels less forest lands, current use properties, and state assessed properties. For the real property ratio study, the assessment roll will normally be stratified according to the following assessed value strata:

\$	0 - \$	9,999
	10,000 -	15,999
	16,000 -	29,999
	30,000 -	59,999
	60,000 -	99,999
	100,000 -	199,999
	200,000 -	399,999
	400,000 -	and over

Other higher strata than listed above may be used in counties having large numbers of high value properties.

(3) In counties for which real property high value strata, as listed in (2) above, do not number at least two hundred an appropriate upper limit (\$60,000 and over, \$100,000 and over) which will accommodate at least two hundred real property parcels, will be determined.

(4) The stratification process will be performed by the department or by the county with data processing capability adequate to meet the standards as provided by the department.

(5) A count of taxable real property parcels, less forest lands, current use properties, and state assessed properties, in each value stratification is necessary for computation of the county ratio. Multiplying an average sample sales value, an average sample appraisal value, or an average assessed value by the number of taxable parcels in the county produces an estimated total market value or total estimated assessed value used in ratio computation.

(6) In the stratification of county taxable real property parcels to be used in the ratio study, the count of these parcels shall exclude designated and classified timber or forest lands, open space (current use) lands and improvements, and mobile homes as provided for in WAC 458-53-163(2). These are deleted from use in the sales study and will be considered separately and included in ratio determinations after computations of sales data have been completed. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-030, filed 6/29/84; 79-11-029 (Order PT 79-3), § 458-53-030, filed 10/11/79. Formerly WAC 458-52-030.]

WAC 458-53-060 Repealed. See Disposition Table at beginning of this chapter.

WAC 458-53-080 Sales samples. (1) The starting point for the sales studies will be a sampling of the real estate excise tax sales affidavits each month. Samples used in a current study will be sales during the last five months of the calendar year immediately preceding the current study assessment year and the first three months of the study assessment year.

A sampling plan will be developed by the department of revenue each year based on each county's previous year sales volume. The sampling will be conducted considering sales transferring via warranty deed or contract instruments as initially subject for inclusion in the study. All sales represented by other instruments such as tax deeds, quitclaim deeds, etc., will be excluded from consideration. Sales of timber and current use lands classified under chapters 84.28, 84.33 and 84.34 RCW will also be excluded from consideration. There are numerous reasons why a warranty deed or contract sale may also be excluded from the study. Conditions such as a sale between relatives, a forced sale or a sale to a non-profit organization, for example, are sufficient to mark these transactions as being other than "arms-length" and therefore, not a valid indicator of full "true and fair" value. A listing of such reasons and other conditions that will cause a sale to be excluded are shown on the deletion list contained in subsection (2) of this section.

(2) The following sales transactions are examples of sales to be excluded from the sales studies. Deviations from the numerical coding designations set forth in this

example may be used as agreed to by individual counties and the department.

NUMERICAL

CODE	TYPE OF TRANSACTION
1	Family - a sale between relatives.
2	Transfers within a corporation by its affiliates or subsidiaries.
3	Administrator, guardian or executor of an estate.
4	Receiver or trustee in bankruptcy or equity.
5	Sheriff or bailee.
6	Tax deed.
7	Properties exempt from taxation (non-profit, government, etc.).
8	Individual sales with assessment-to-sales ratios of less than twenty-five percent or greater than one hundred seventy-five percent except as provided in WAC 458-53-100(4), 458-53-070(5) and 458-53-165.
9	Quitclaim deed.
10	Gift deed, love and affection deed.
11	Seller's or purchaser's assignment of contract or deed - transfer of interest.
12	Correction deed.
13	Trade - exchange of property between same parties.
14	Deeds involving partial interest in property, such as one-third or one-half interest. (If transfer involves total interest i.e., one hundred percent of the property, sale is valid.)
15	Forced sales - transfers in lieu of imminent foreclosure, condemnation or liquidation.
16	Easement or right of way.
17	Deed in fulfillment of contract (on a current transaction, a contract with a fulfillment deed is a valid sale).
18	Property physically improved after sale.
19	Timber or forest land.
20	Platted within last year, bare lots only - with less than twenty percent sold.
21	Plottage - where an adjoining property is sold at a price significantly different than for property of a similar type when a larger unit is being assembled.
22	\$1,000 sale or under.
23	Lease - assignment, option, leasehold.
24	Designated open space (as of date of sale).
25	Change of use where rezoning takes place.
26	Current year segregations that have not been appraised.
27	Other - necessary to identify reason, i.e., inclusion of personal property not separately identified, liquor license, etc.

[Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-080, filed 6/29/84; 83-16-050 (Order PT 83-2), § 458-53-080, filed 8/1/83; 79-11-029 (Order PT 79-3), § 458-53-080, filed 10/11/79.]

WAC 458-53-090 Sales samples--Assessed valuation. (1) After the sampling of sales has been completed in Olympia, the assessed valuations of the properties remaining in the sample will be obtained by the department's sales analysts from official records retained by county officials. The assessed valuation total recorded will be the official figure as of January 1, the current ratio year assessment date. At this point, attention also will be given to factors which would indicate that a particular transaction is not suitable for inclusion in the study and any other factors which can be ascertained at this time are used to analyze whether sales may be deleted from the study as not being an indicator of full "true and fair" value.

The relationship of the assessed value for a real property parcel to a corresponding valid sale of this property within the time period established for the annual ratio sales study indicates the individual ratio for the property. The stratum averages for all such valid sales values and related assessed values in a county, when multiplied by the number of listings in the strata, determine the established real property totals on which the indicated real property ratio is based.

(2) In counties for which the department conducts the sales analysis and ratio studies a sales prelist will be provided to each assessor. These prelists will identify valid sale properties to be used in computation of each county's real property ratio. Department personnel will review these prelists with assessors or their staffs to verify the validity of the sale properties identified and the values indicated.

Properties designated in the department-approved county revaluation plan relative to the current ratio study year, and properties on which new construction may be completed during a ratio study year, will be included in that year's ratio study. For these properties the available current county assessed valuation will be used. Assessors have until August 31st of each assessment year to place new construction values on such properties and these values in a corresponding ratio study are included after the close of the assessors' rolls on May 31st.

(3) Certain properties have limited exemptions in assessed value granted by law to persons owning those properties (senior citizens exemptions). In computing a ratio relative to the sale of such property, the full assessed value for the property, before exemption, must be used to determine a proper assessment-to-sales relationship.

(4) Average sample real property assessed values and true and fair values for each value or land use stratum in a county will be derived from sales and appraisal study results. These average values, as provided in WAC 458-53-150, will aid in determining the county real property indicated ratio. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-090, filed 6/29/84; 83-16-050 (Order PT 83-2), § 458-53-090, filed 8/1/83; 79-11-029 (Order PT 79-3), § 458-53-090, filed 10/11/79.]

WAC 458-53-100 Use of county sales studies. (1) If agreed upon by the department and the assessor, the

department will use a county sales study, providing it is made according to the standards specified in these rules. Any such agreement shall provide that counties generating their own sales studies will use all or an agreed upon percentage of sales validated by department standards, and that the county shall furnish the department with data from sales deemed invalid as well as those deemed valid and give the reason for deeming invalid any particular sale. All such county studies shall be subject to department audit.

(2) The county-generated sales study will include the following:

(a) All agreed to real property transactions occurring in a county shall be used in the study and shall be for a period of eight consecutive months. Sales transactions used will include only those which occur between August 1 preceding January 1 of the assessment year and March 31 of the assessment year.

(b) Sales of properties identified on the published department of revenue deletion list (WAC 458-53-080) will be removed from the sales analysis study and separately will be produced on a data processing machine listing. This listing will display for each deleted sale an appropriate parcel identification, the sales price, the assessed value, and a numerical code or narrative designation of the reason for deletion of the property from the study. The numerical code used shall coincide with the department of revenue published deletion list (WAC 458-53-080) unless an agreement has been made with the department to use another code. Any numerical code 27 (miscellaneous) shall be accompanied by a narrative reason for deletion.

(c) Sales remaining in the sales analysis study will be stratified and printed by assessed value strata. Necessary data for each sale property remaining in the study will be:

(i) Excise tax sales affidavit number, parcel number, or other file identification number.

(ii) The sales price of the transaction, lowered five percent to ninety-five percent of its original value. Further adjustment of any individual sale may be made only if personal property is identified and its value is in excess of five percent of the sale price.

(iii) The current assessed value on the assessors' rolls for the property described on the sales affidavit.

(iv) A computed ratio based on the percent that the assessed valuation is to the adjusted sales price figure.

(3) As soon as practicable following the close of the assessors' rolls on May 31st, and prior to July 1st, the county sales-assessment ratio study shall be submitted to the department of revenue. Adjustments for new construction will be made following the August 31st deadline for adding new construction values to the assessment rolls. This will allow time for departmental analysis, field review, and insertion of appraisal data, where appropriate, for preliminary ratio determination by the first Monday in August.

(4) Individual valid sales having a resultant assessment sales ratio under twenty-five percent or over one hundred seventy-five percent shall be excluded from

consideration in the study: *Provided*, That this subsection shall not apply if the number of sales meeting this criteria exceeds ten percent of the total number of sales that would be used in the study subject to the provisions of this subsection: *Provided further*, That this subsection shall not apply to any type of property not properly valued and subject to the provisions of WAC 458-53-165. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-100, filed 6/29/84; 83-16-050 (Order PT 83-2), § 458-53-100, filed 8/1/83; 82-08-061 (Order PT 82-3), § 458-53-100, filed 4/6/82; 79-11-029 (Order PT 79-3), § 458-53-100, filed 10/11/79.]

WAC 458-53-110 Property values used in the ratio study. The following property values will be included in the ratio study as provided in these rules:

(1) Values established by law or required to be determined by the department by law, but excluding property valued under chapters 84.08, 84.12, and 84.16 RCW.

(2) Values determined by county assessors according to the provisions of chapter 84.41 RCW.

(3) Values of land classified under chapter 84.33 RCW.

(4) Values of land and improvements classified under chapter 84.34 RCW will be included in determination of the indicated real property ratios for counties whose current use land values are five percent or greater in proportion to the total county land value outside of cities and towns. Counties with less than five percent of total land value outside of cities and towns in current use property values may request inclusion of current use values in determination of their real property ratio: *Provided*, That in order for current use values to be used, the request, in writing, must be submitted to the department prior to October 1 of each ratio study period for which current use consideration is desired.

(5) Advisory values supplied to the assessor by the department shall not be included in the ratio study unless the property falls within the sales study provided for in WAC 458-53-070 or 458-53-100 or is selected in the appraisal or audit study in accordance with WAC 458-53-130 and 458-53-140.

(6) Values of individual real properties which equal or exceed twenty percent of the total of all real property.

(7) Values of individual assessments of personal property which equal or exceed twenty percent of the total of all personal property.

(8) Values of mobile homes which are identified in WAC 458-53-163(2).

(9) Values of mobile homes which are identified in WAC 458-53-163(3).

(10) Before values in subsections (6) and (7) of this section can be included, a request in writing identifying the properties, must be submitted to the department prior to October 1st of each ratio study period. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-110, filed 6/29/84; 81-22-036 (Order PT 81-15), § 458-53-110, filed 10/30/81; 79-11-029 (Order PT 79-3), § 458-53-110, filed 10/11/79.]

WAC 458-53-130 Real property appraisal studies.

(1) The department will review a county's prior year's sales studies to determine which assessed value stratum or land use class may not have sufficient sales to produce a valid measurement of the level of assessment of the properties in that stratum or use class. Department appraisers then will appraise selected properties in those strata. The selection of properties to be appraised will be on a random basis. Random selection will use accepted statistical methods such as stated numerical sequence or random number tables to provide each parcel of real property in a universe of real property parcels an equal opportunity to be selected as a representative sample of that universe. The appraisal date will coincide with the assessment date of the ratio study.

(2) The appraisal study is started with a stratified sample of real property parcels. The stratification process will be done using either the assessed value of the real property roll or land use codes broken into assessed value strata's as of the current January 1 assessment date. Land use stratification will be used exclusively in those counties possessing the necessary data processing capabilities. For counties not possessing data processing capabilities manual stratification by department of revenue staff involves the following: (a) Examination of each property listing and tallying it (by placing a mark in the appropriate value class or stratum) according to the magnitude of its assessed valuation, (b) random selection of properties from each class to be placed in a pool from which the ultimate selection of properties for appraisal will be made, and (c) recording on a take-off sheet, the assessed value and identification (account number, page, and line number, etc.) for the selected samples. The completed stratification provides a count of the listings on the roll by valuation class.

(3) The number of appraisals deemed necessary for each county value or land use stratum will be determined by application of statistical determination to the previous year county ratio study results.

Once the number of appraisals to be conducted in each value classification has been determined, the identification of each of the randomly selected appraisal samples to be used in the study will be obtained from county records. When the names, addresses, legal descriptions and other information necessary to conduct the appraisals are known, letters will be forwarded to the taxpayers involved. These letters will notify them of the impending visit by an appraiser from the department of revenue property tax division.

(4) The actual physical appraisals conducted by department personnel use the same tools that are available to the county assessors (state manuals, private publications, etc.). The department's appraisers do not, however, use the so-called "mass appraisal" technique which is, of necessity, practiced by the various counties; but perform complete appraisals regardless of the amount of time required in order to assure that the most valid estimate of market value is reached.

Three approaches to value are considered; namely, cost, market and income. The cost approach utilizes an

approved cost manual. When properly used, this manual gives an estimation of reproduction cost of the improvements to the property. The reproduction cost then is depreciated, taking into consideration all physical depreciation, functional and economic obsolescence. The end result is the depreciated value of the improvements. To this value is added the value of the land, resulting in the market value of the real property. The market approach uses sales of comparable properties for an indication of value. The income approach uses a capitalization rate developed from a comparison of typical income and the sale price of comparable properties.

This capitalization rate then is divided into the net income of the subject properties for a value indication of that property.

(5) When the appraisals in a county have been completed and reviewed by the supervisory staff of the department, they are reviewed individually with the assessor and his staff. At this time, changes may be made stemming from such factors as errors in the mathematical calculations, changes in use from the date of assessment to the date of the appraisal, the inclusion of items in the appraisal that are not included in the assessment (mainly personal property), etc. When the review process is completed and changes, if any are made, the appraisal data are considered as completely valid and ready for inclusion in the computation of the total real property ratio.

(6) When the department's sample appraisals fall within a county's current revaluation area and the assessor's appraisals, upon audit, are found to be a supportable estimate of market value, the department will accept the county's appraised values on those properties randomly selected for appraisal in the county.

(7) Department appraisals, required for assessment ratio determination, will be performed as indicated by department statistical determinations. Appraisals will complement sales to provide an adequate number of samples on which to base a ratio computation.

(8) When properties, classified by the department as industrial properties, are selected for inclusion in real or personal property ratio studies, the department's property audits and appraisals will be made on the total property, using department valuation procedures. Allocation of total industrial value for ratio purposes will be determined using each assessor's method of classifying real and personal property. Audit determinations for personal property will not include properties classified as real property by the assessor. Appraisal determinations for real property will not include properties classified as personal property by the assessor. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-130, filed 6/29/84; 79-11-029 (Order PT 79-3), § 458-53-130, filed 10/11/79. Formerly WAC 458-52-070.]

WAC 458-53-140 Personal property audit studies.

(1) Personal property audits will be performed on those accounts selected at random within each use class or assessed value stratum used in the ratio study for each county. These audits will be the basis of the county's

personal property ratio as provided in WAC 458-53-160.

The department may use county audit results as ratio study audits when department accepted audit procedures are used on accounts selected as sample audits and audited by the county audit staff as of the assessment date used in the department's ratio study.

(2) The general procedures for audits are similar to those followed in the appraisal-assessment study in that sample audits of personal property accounts will be used as the basis for determining total assessed value and estimated total true and fair value of personal property. The relationship of the total estimated assessed value to the total estimated true and fair value of personal property will indicate the personal property ratio.

(a) Stratification of rolls – the program is initiated by stratification of the personal property roll in the counties being audited. From this process is obtained: A count of the number of listings in each use class or assessed valuation class, an estimation of the total assessed value in each class, and a pool of samples in each class from which the ultimate listings to be audited are selected. The strata or assessed valuation classes have different limits than those used in the appraisal-assessment study. A listing of assessed value strata normally used is as follows:

\$	0 – \$	9,999
	10,000 –	39,999
	40,000 –	79,999
	80,000 –	199,999
	200,000 –	499,999
	500,000 –	999,999
	1,000,000 –	1,999,999
	2,000,000 –	and over

The largest valuation stratum designated for each county will depend on the number of large value accounts in the county.

In counties for which personal property high value strata, as listed above, do not number at least two hundred, an appropriate upper limit (\$40,000 and over, \$80,000 and over) which will accommodate at least two hundred personal property accounts, will be determined.

The stratification process will be performed by the department or by the county according to the standards as provided in this section.

(b) Personal property sample audit selection – the number of audits to be performed is derived in the same general manner as in the appraisal-assessment procedure in that statistical determination is applied to county previous year's ratio study results to obtain a representative number of samples on which to base a county ratio.

Stratification procedures which determine the number of personal property audits needed for the current ratio study begin in the summer months of the calendar year immediately preceding the currently designated ratio study year.

The audits are conducted through July of the designated ratio study year.

(3) The sample accounts to be audited in each use or valuation classification are randomly chosen using accepted statistical methods such as stated numerical sequence or random number tables to provide each personal property account in a universe of personal property accounts an equal opportunity to be selected as a representative sample of that universe. Names and addresses of taxpayers for these accounts and copies of assessment detail sheets are obtained from county records.

Letters of intent to audit are mailed to each taxpayer selected.

(4) The personal property audits which are conducted to derive the true and fair value figures are made from an examination of the taxpayer's books and records. In valuation procedures, the department's auditors utilize the manuals and schedules which the department prepares and distributes to all assessors. The technique is generally one of trending forward historical cost data and the application of depreciation percentages to arrive at current worth or value.

(5) When the audits have been completed in a county, they are reviewed with the assessor and his staff. The primary emphasis at this meeting is to make sure that the property covered by the audit is comparable to the property covered by the assessment. The completion of the review and adjustments, if any, mark the audit data as valid for use in the computation of the personal property portion of the total indicated ratio.

(6) In a manner similar to that used for real property, sample personal property assessed values and true and fair values for each stratum are derived from audit results, the weighted sums of which are the basis for determining the personal property indicated ratio.

(7) If omitted property is discovered in a county, the results of the department's audit shall be placed in the strata indicated by the audit. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-140, filed 6/29/84; 79-11-029 (Order PT 79-3), § 458-53-140, filed 10/11/79. Formerly WAC 458-52-080.]

WAC 458-53-141 Personal property audit selection.

(1) Beginning with 1982 assessments and thereafter, each county shall classify and code every personal property account based upon the following classification codes:

- (a) Agriculture, fishing, and forestry (not logging)
- (b) Mining, quarrying, and contract construction
- (c) Manufacturing
- (d) Retail – wholesale
- (e) Finance, insurance, real estate and services
- (f) Transportation, communication, utilities, improvements on exempt land, and all other not classified
- (g) Mobile homes

(2) Those accounts which contain property of more than one classification shall be coded based upon which class has the greatest value.

(3) For those counties with the ability to perform the stratification process by use classification, subject to department approval, use classes of property will be used for the purpose of determining the indicated personal

property ratio. The classes of property shall follow the guidelines outlined in subsection (1) of this section and will be separated into value stratum for the individual classification codes. The value strata may be subject to different parameters than normally used.

(4) Those counties who do not have the ability to prepare a ratio study by use classification shall use value stratas as shown in WAC 458-53-140. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-141, filed 6/29/84; 81-22-036 (Order PT 81-15), § 458-53-141, filed 10/30/81.]

WAC 458-53-150 Indicated real property ratio--Computation. (1) For each real property value or land use stratum within a county average sample assessed value and average sample true and fair value will be determined from the results of selected sales and appraisal studies. Average sample assessed value and average sample true and fair value for each stratum will be multiplied by the total number of real property parcels in each corresponding stratum to derive an estimated total assessed value and a total estimated true and fair value for each stratum. Stratum estimated totals will be added to derive county estimated total assessed value and county estimated total true and fair value. When the ratio relationship between these two estimated values is applied to the actual county assessed value, as provided by the assessor in his current assessors' certificate of assessment rolls to the county board of equalization, and forest land and current use values are added to the actual assessed value and ratio-related market value, the totals will represent the county real property indicated ratio.

(2) Valid arms-length sales occurring in each county will be the basis for determining individual stratum ratios unless a representative number of samples for any one stratum requires the addition of department appraisals. In all strata where both sales and appraisal samples are present, assessment and market values for all valid appraisal samples will be combined with assessment and market values for all valid sales samples to derive a stratum ratio.

(3) Department current use appraisals will be the basis for the assessment-to-appraisal values from which current use ratios are determined.

(4) Values from each county's assessor's certificate of assessment rolls to county board of equalization will be used in the computation of each county's indicated real property ratio except as provided in subsection (6) of this section.

(a) The county preliminary real property ratio, calculated from estimated totals of county sales and appraisal study results, will be applied to each county's certificate listing of total real property assessed value (excluding those properties identified in WAC 458-53-110 (1), (3), (4), (6), and (8) and WAC 458-53-165) to determine an estimated true and fair value which relates to the actual assessed real property value of a county.

(b) To the actual real property assessed value and ratio-related true and fair value totals for a county ((a) of this subsection) are added certificate assessed values of those properties identified in WAC 458-53-110 (1), (3), (4), (6), and (8) and WAC 458-53-165, and related true and fair values calculated by the ratio relationships determined for those same properties.

(c) The sum of the total real property assessed and true and fair forest land assessed and true and fair values, as determined by (a) and (b) of this subsection shall be the basis for a county's indicated real property ratio. The sum total of assessed values will be divided by the sum total of true and fair values to derive the ratio.

(5) The following illustration, using simulated values and ratios, indicates simplified ratio study computation procedures for real property.

Step 1 - Determination of Average Sample Values

	(1)	(2)	(3)	(4)	(5)
Stratum	Number of Samples	Total Assessed Value of Samples	Average Assessed of Samples (Col. 2 ÷ Col. 1)	Total Market Value of Samples	Average Market Value of Samples (Col. 4 ÷ Col. 1)
\$ 0 - 9,999	10	\$ 60,000	\$ 6,000	\$ 80,000	\$ 8,000
10,000 -15,999	20	260,000	13,000	300,000	15,000
Over 15,999	5	200,000	40,000	250,000	50,000

Average values for real property sales samples, average real property appraisal samples, and average personal property audit samples all are determined in the same manner.

Step 2 - Weighting of Average Sample Values

(1)	(2)	(3)	(4)	(5)	(6)
Total Property Listings	Average Sample Assessed Value	Total Estimated Assessed Value (Col. 2 × Col. 1)	Average Sample Market Value	Total Estimated Market Value (Col. 4 × Col. 1)	Ratio (Col. 3 ÷ Col. 5)
\$ 0 - 9,999	105	\$ 6,000	\$ 8,000	\$ 840,000	.7500
10,000 - 15,999	211	13,000	15,000	3,165,000	.8667
Over 15,999	51	40,000	50,000	2,550,000	.8000
Outriders	2	1,000,000		1,201,800	.8321
		6,413,000		7,765,800	.8258

Sample study weighted ratio 82.58%

Average values for real property sales samples, average real property appraisal samples, and average personal property audit samples all are weighted in the same manner.

Step 3

Application of Sample Weighted Relationship to Actual Real Property Assessed Value and Additional Values as Indicated.

(1)	(2)	(3)
Actual County Real Property Assessed Value (From Assessor's Certificate)	Determined Assessment to Market Ratio	County Real Property Market Value Related to Actual Assessed Value (Col. 1 ÷ Col. 2)
\$ 6,544,000	.8258 (from Step 2)	\$ 7,924,437
Add:		
Timber and Forest Land	1.0000	1,520,000
Open Space	.9000	444,444
Open Space Improvements	.9500	105,263
Mobile Homes	.9900	50,505
Other		
(WAC 458-53-110(6) or WAC 458-53-165 Properties)	1.0000	100,000
Totals	÷	\$10,144,649 = .8590
County Indicated Real Property Ratio		85.9%

(6) If a copy of the certification of current values is not received from an assessor in a timely manner for inclusion in ratio computation, the assessors abstract of assessed values from the previous year will be used as the information source for ratio computation.

(7) A copy of each county's certification of values to the county board of equalization (FORM REV 64-0051) will be filed with the department on or before the second Monday in July. The certification form will be properly completed with all required information.

(8) Valid ratio study individual assessed or true and fair values which either exceed or fall below the mean assessed or true and fair value by more than three times the average deviation of other values in a stratum, will be classified as "outriders" and shall be considered separately in average sample computation. Outriders are so treated to prevent the application of excess weight by nontypical sample values in determining average sample values and resulting total estimated assessed and total estimated true and fair values.

(9) The department may consider the relationship between the market value trends of real property and the assessed value increases or decreases made by the assessor during the year in each county as validity checks of the result of the sales and appraisal studies. The director may authorize modification of the results of the sales and appraisal study in

any county where there is a demonstrable showing to the director that the sales and appraisal study is inconclusive or does not result in a reasonable and factual determination of the relationship of assessed values to true and fair value such that a significant variation results from the rates of the previous year not deemed by the director comparable with general trends in property values. Such modification shall be made only after notice to all assessors that information other than the sales and appraisal studies are being considered, and opportunity for a meeting has been made available for the director (or the director of property tax) and a representative committee authorized and appointed by the assessors to review the results of the sales and appraisal study and the proposal to modify the study results. [Statutory Authority: RCW 84.48.075, 84-14-039 (Order PT 84-2), § 458-53-150, filed 6/29/84; 82-08-061 (Order PT 82-3), § 458-53-150, filed 4/6/82; 81-04-056 (Order PT 81-5), § 458-53-150, filed 2/4/81; 79-11-029 (Order PT 79-3), § 458-53-150, filed 10/11/79. Formerly WAC 458-52-090.]

WAC 458-53-160 Indicated personal property ratio--Computation. (1) For each personal property assessed value stratum, excluding properties identified in WAC 458-53-110 (7) and (9) and 458-53-165 and average sample assessed value and an average sample true and fair value will be determined from the results of selected audit studies. These average stratum sample values will be multiplied by the corresponding number of personal property accounts in each stratum to derive a stratum estimated total assessed value and a stratum estimated total true and fair value. These estimated stratum total estimated assessed and true and fair values will be added to provide a county total estimated assessed value and a county total estimated true and fair value.

(2) To the actual personal property assessed value and ratio-related true and fair value totals for a county (subsection (1) of this section) are added assessed values of those properties identified in WAC 458-53-110 (7) and (9) and 458-53-165 and related true and fair values calculated by the ratio relationships determined for those same properties.

(3) The sum of the total personal property assessed and true and fair values as determined by subsections (1) and (2) of this section shall be the basis for the county's indicated personal property ratio. The sum total of assessed values will be divided by the sum total of true and fair values to derive the ratio. Values from each county's *Assessor's Certificate of Assessment Rolls to County Board of Equalization* will be used in the computation of each county's indicated personal property ratio except as provided in WAC 458-53-150(6).

(4) The following illustration, using simulated values and ratios, indicates simplified ratio study computation procedures for personal property.

Step 1 - Determination of Average Sample Values

	(1)	(2)	(3)	(4)	(5)
Stratum	Number of Samples	Total Assessed Value of Samples	Average Assessed Value of Samples (Col. 2 ÷ Col. 1)	Total Market Value of Samples	Average Market Value of Samples (Col. 4 ÷ Col. 1)
\$ 0 - 9,999	15	\$ 75,000	\$ 5,000	\$100,000	\$ 6,667
10,000 - 39,999	20	400,000	20,000	500,000	25,000
Over 39,999	10	500,000	50,000	750,000	75,000

Step 2 - Weighting of Average Sample Values

	(1)	(2)	(3)	(4)	(5)	(6)
Stratum	Total Property Listings	Average Sample Assessed Value	Total Estimated Assessed Value (Col. 2 × Col. 1)	Average Sample Market Value	Total Estimated Market Value (Col. 4 × Col. 1)	Ratio (Col. 3 ÷ Col. 5)
\$ 0 - 9,999	125	\$ 5,000	\$ 625,000	\$ 6,667	\$ 833,375	.7500
10,000 - 39,999	216	20,000	4,320,000	25,000	5,400,000	.8000
Over 39,999	79	50,000	3,950,000	75,000	5,925,000	.6667
Outriders	2		1,000,000		1,366,775	.7316
			\$9,895,000		\$13,525,150	73.16

Sample study weighted ratio.

73.16%

Step 3 - Application of Sample Weighted Relationship to Actual Assessed Value.

	(1)	(2)	(3)
	Actual County Assessed Value Personal Property (From Assessor's Certificate)	Determined Assessment to Market Ratio	County Market Value Related to Actual Assessed Value (Col. 1 ÷ Col. 2)
Add	\$ 9,100,000	.7316 (from Step 2)	\$12,438,491
Mobile Homes	50,000	.9900	50,505
Other (WAC 458-53-110 (7) or 458-53-165 properties)	100,000	1.0000	100,000
Totals	\$ 9,250,000	÷	\$12,588,996 = .7348
County indicated personal property ratio			73.48%

(5) Individual assessed or true and fair personal property values, classified as "outriders" according to WAC 458-53-150(8), will be used in personal property ratio computation in a manner similar to that used for real property outriders in real property ratio computation. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-160, filed 6/29/84; 79-11-029 (Order PT 79-3), § 458-53-160, filed 10/11/79. Formerly WAC 458-52-100.]

WAC 458-53-163 Mobile homes--Use in study. Sales and appraisals of mobile homes, properly stratified, shall be included in the ratio study in the following manner:

(1) Mobile homes which are assessed as other real property and are intermixed with other real property on the real property rolls shall be included with all other real property in the study;

(2) Mobile homes which are considered real property and are assessed upon a separate real property mobile home roll shall be included in the real property study as provided in WAC 458-53-150(4)(b);

(3) Mobile homes which are assessed as personal property shall be included in the personal property ratio study as provided in WAC 458-53-160(2);

(4) Sales of mobile homes which meet the criteria of the sales exclusion list contained in WAC 458-53-080(2) shall be excluded from the mobile home study. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-163, filed 6/29/84.]

WAC 458-53-165 Property not properly valued--Use in study. The department shall examine the procedures used by the assessor to assess real and personal property. If any examination by the department discloses other than market value is being listed on the assessment rolls of the county for a particular type of property and, after due notification by the department, is not corrected, the department shall adjust the ratio of that type

of property, which adjustment shall be used in determining the counties indicated personal or real property ratios.

When a particular type of property is found to be at other than market value, that type property shall be separated from the other properties in the computation of the ratio. The department shall develop the total assessed value and total market value for that type of property, and it shall be included in the ratio as provided in WAC 458-53-150 (4)(b) and 458-53-160(2). [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-165, filed 6/29/84; 83-16-050 (Order PT 83-2), § 458-53-165, filed 8/1/83.]

WAC 458-53-170 Repealed. See Disposition Table at beginning of this chapter.

WAC 458-53-180 Use of indicated ratios. The indicated ratios will be used by the department as follows:

The value of properties assessed by the state under chapters 84.08, 84.12, and 84.16 RCW, will be certified to the county assessor using:

(1) The indicated personal property ratio for personal property; and

(2) The indicated real property ratio for real property. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-180, filed 6/29/84; 79-11-029 (Order PT 79-3), § 458-53-180, filed 10/11/79. Formerly WAC 458-52-120.]

WAC 458-53-190 Repealed. See Disposition Table at beginning of this chapter.

WAC 458-53-200 Certification of county preliminary and indicated ratios—Review. (1) The department will annually determine the real property and personal property preliminary ratios for each county and will certify these ratios to the county assessor on or before the first Monday in August.

(2) The department shall review the county's preliminary ratio with the assessor, a landowner, or an inter-county public utility or private car company, if requested to do so by said county, person, or company, between the first and third Mondays of August, and may make any changes indicated by such review: *Provided*, That if the department does not certify the preliminary ratios as required by subsection (1) of this section, the review period shall extend for two weeks from the date of certification.

(3) Prior to equalization of assessments pursuant to RCW 84.48.080 and after the third Monday of August, the department shall certify to each county assessor the indicated real and personal property ratios for that county. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-200, filed 6/29/84; 79-11-029 (Order PT 79-3), § 458-53-200, filed 10/11/79. Formerly WAC 458-52-140.]

WAC 458-53-210 Appeals. If an assessor, landowner, or owner of an intercounty utility or private car company has reviewed the ratio study as provided in

WAC 458-53-200, that person or company may appeal the department's indicated ratio determination, as certified for that county, to the state board of tax appeals pursuant to RCW 82.03.130 (5)(a). The appeal to the state board of tax appeals must be filed not later than fifteen days after the date of certification. [Statutory Authority: RCW 84.48.075. 84-14-039 (Order PT 84-2), § 458-53-210, filed 6/29/84; 79-11-029 (Order PT 79-3), § 458-53-210, filed 10/11/79. Formerly WAC 458-52-150.]

Chapter 458-61 WAC REAL ESTATE EXCISE TAX

WAC

458-61-030 Definitions.

GENERAL PROVISIONS

458-61-060 Disposition of proceeds.

458-61-080 Affidavit requirements.

458-61-100 Refunds of tax paid.

TAXABILITY OF TRANSFERS

458-61-210 Assignments—Purchasers.

458-61-220 Assignments—Sellers.

458-61-230 Bankruptcy.

458-61-320 Corporation—Nonfamily.

458-61-400 Fulfillment deed.

458-61-510 Lease with option to purchase.

458-61-590 Rescission of sale.

458-61-680 Trust.

WAC 458-61-030 Definitions. For the purposes of chapter 458-61 WAC, unless otherwise required by the context:

(1) "Affidavit" shall mean the real estate excise tax affidavit which the department shall prescribe and furnish to the county treasurers. Such affidavit shall require the following information:

(a) Identification of the seller and purchaser, including their current mailing addresses;

(b) Legal description of the property transferring, including the tax parcel or account numbers;

(c) Date of sale;

(d) Type of instrument of sale;

(e) Nature of transfer;

(f) Gross sales price;

(g) Value of personal property involved in the transfer;

(h) Taxable sales price;

(i) Whether or not the land is classified or designated as forest land under chapter 84.33 RCW;

(j) Whether or not the land is classified as open space land, farm and agricultural land, or timber land under chapter 84.33 RCW;

(k) Whether or not the property is exempt from property tax under chapter 84.36 RCW, at the time of sale;

(l) Whether or not the property is:

(i) Land only;

(ii) Land with new building; or

(iii) Land with a previously used building;

(m) A notice of continuance, signed by all new owners, for classified forest land (RCW 84.33.120), designated forest land (RCW 84.33.180) (RCW 84.33.130)

or classified open space land, farm and agricultural land or timber land (RCW 84.34.108) shall be signed for those affidavits conveying land subject to the provisions of chapters 84.33 and 84.34 RCW, if the new owner desires to continue said classification or designation. Prior to acceptance of the affidavit by the county treasurer, the county assessor shall be consulted by the new owners to determine if the land qualifies for continued classification or designation. The assessor shall note on the affidavit whether or not it qualifies;

(n) The affidavit shall list the following questions, the responses to which are not required:

(i) Is this property at the time of sale subject to an elderly, disability, or physical improvement exemption?

(ii) Does any building have a heat pump or solar heating or cooling system?

(iii) Does this transaction divide a current parcel of land?

(iv) Does this transaction include current crops or merchantable timber?

(v) Does this transaction involve a trade, or partial interest, corporate affiliates, related parties, a trust, a receivership, or an estate?

(vi) Is the grantee acting as a nominee for a third party?

(vii) Is the principal use of the land agricultural, apartments (four or more units), commercial, condominium, industrial, mobile home site, recreational, residential, or growing timber?

(o) The affidavit form shall contain a statement of the potential compensating and additional tax liability under chapter 84.34 RCW, a statement of the collection of taxes under RCW 84.36.262 and 84.36.810, and a statement of the applicable penalties for perjury under chapter 9A.72 RCW.

Each county shall use the affidavit form prescribed and furnished by the department of revenue.

The affidavit shall be signed by either the seller or the buyer, or the agent of either, under oath attesting to all required information.

(2) "Consideration" shall mean money or anything of value, either tangible or intangible, paid or delivered or contracted to be paid or delivered or services performed or contracted to be performed in return for real property or estate or interest in real property. The term shall further include the market value of real property transferred to a corporation by its shareholders, officers, or corporate affiliates so as to increase the assets of the grantee corporation.

(3) "Court decree" and "court order" shall have the same meaning and may be used interchangeably for the purposes of these rules. This shall be the judgment of a court of competent jurisdiction.

(4) "Date of taxability" shall mean the date of transfer as defined in subsection (15) of this section.

(5) "Department" shall mean the Washington state department of revenue.

(6) "Mining property" shall mean property containing or believed to contain metallic minerals and sold or leased under terms which require the purchaser or lessee

to conduct exploration or mining work thereon and for no other use. (RCW 82.45.035)

(7) "Mobile home" shall mean a mobile home as defined by RCW 46.04.302, as now or hereafter amended. (RCW 82.45.032)

(8) "Mortgage" shall have its ordinary meaning and shall include "deed of trust" for the purposes of these rules, unless the context clearly indicates otherwise.

(9) "Nominal sales prices" shall mean sales prices stated on the real estate excise tax affidavit that are so low in comparison to the actual value of the real estate as to cause disbelief by a reasonable person.

(10) "Nonsale" as defined by RCW 82.45.010 includes those real property transfers which, by their nature, are exempt from the real estate excise tax (see WAC 458-61-080: Affidavit requirements):

(a) Gift, device or inheritance (see WAC 458-61-410 and 458-61-460);

(b) Leasehold interest, other than option to purchase real property, including timber (see WAC 458-61-500);

(c) Cancellation or forfeiture of a vendee's interest in a real estate contract, whether or not such contract contains a forfeiture clause (Note: Tax exemption applies only to transfer back to original vendor or contract holder and is not the basis for refund of tax paid on original transfer — See WAC 458-61-210(1); see also WAC 458-61-330);

(d) Deed in lieu of foreclosure of a mortgage (where no consideration passes otherwise. See WAC 458-61-210(2));

(e) Assumption of mortgage, deed of trust, or real estate contract where no consideration passes otherwise;

(f) Deed in lieu of forfeiture of a real estate contract, where no consideration passes otherwise (see WAC 458-61-210(4));

(g) Partition of property by tenants in common, whether by agreement or court decree (see WAC 458-61-650);

(h) Divorce decree or property settlement incident thereto (see WAC 458-61-340);

(i) Seller's assignment (see WAC 458-61-220);

(j) Condemnation by governmental body (see WAC 458-61-280);

(k) Security documents (mortgage, real estate contract, or other security interests apart from actual title) (see WAC 458-61-630);

(l) Court ordered sale or execution of judgment (see WAC 458-61-330);

(m) Transfer prior to imposition of this tax under chapter 82.45 RCW or previous chapter 28A.45 RCW;

(n) The transfer of any grave or lot in an established cemetery (see WAC 458-61-250); and

(o) A transfer to or from the United States, the state of Washington or any political subdivision thereof, or a municipal corporation of this state. (See WAC 458-61-420)

(11) "Real estate" shall mean real property, including improvements the title to which is held separately from the title to the land to which the improvements are affixed, the term also includes used mobile homes and used floating homes. (RCW 82.45.032)

(12) "Sale" shall have its ordinary meaning and shall include any conveyance, grant, assignment, quitclaim, exchange, or transfer of the ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, exchange, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given to the purchaser, or any other person by his/her direction, which title is retained by the vendor as security for the payment of the purchase price. (RCW 82.45.010)

(13) "Seller" shall mean any individual, receiver, assignee, trustee for a deed of trust, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, quasi municipal corporation, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise; but it shall not include the United States or the state of Washington or any political subdivision thereof, or a municipal corporation of this state. (RCW 82.45.020)

(14) "Selling price" shall mean consideration, including money or anything of value, paid or delivered or contracted to be paid or delivered in return for the transfer of the real property or estate or interest in real property, and shall include the amount of any lien, mortgage, contract indebtedness, or other incumbrance, either given to secure the purchase price, or any part thereof, or remaining unpaid on such property at the time of sale. The term shall not include the amount of any outstanding lien or encumbrance in favor of the United States, the state of Washington or a municipal corporation for the taxes, special benefits, or improvements. The value maintained on the county assessment rolls at the time of the transaction will be used for the sales price if such cannot otherwise be ascertained. In the event that the property is under current use assessment, the market value assessment maintained by the county assessor shall be used for the sales price. (RCW 82.45.030)

(15) "Date of transfer," "date of sale," "conveyance date" and "transaction date" shall have the same meaning and may be used interchangeably for the purposes of these rules. This shall be the date shown on the instrument of conveyance or sale.

(16) "Used mobile home" shall mean a mobile home which has been previously sold at retail and a previous sale has already been subject to the retail sales tax under chapter 82.08 RCW, or which has been previously used and a previous use has already been subject to the use tax under chapter 82.12 RCW, and which has substantially lost its identity as a mobile unit by virtue of its being fixed in location upon land owned or leased by the owner of the mobile home and placed on a foundation (posts or blocks) with fixed pipe connections with sewer, water, and other utilities. (RCW 82.45.032)

(17) "Wilful fraud" shall mean knowingly making false statements or taking actions so as to intentionally

underpay or not pay the proper real estate excise tax due on the transfer of real estate.

(18) "Used floating home" shall mean a building on a float used in whole or in part for human habitation as a single-family dwelling, which is not designed for self propulsion by mechanical means or for propulsion by means of wind, and which is on the property tax rolls of the county in which it is located and in respect to which tax has been paid under chapter 82.08 or 82.12 RCW. [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-030, filed 8/2/84; 83-02-022 (Order PT 82-10), § 458-61-030, filed 12/28/82; 82-15-070 (Order PT 82-5), § 458-61-030, filed 7/21/82. Formerly chapter 458-60 WAC.]

GENERAL PROVISIONS

WAC 458-61-060 Disposition of proceeds. The county treasurer shall place one percent of the proceeds of the tax imposed by chapter 82.45 RCW exclusive of any delinquent interest and/or penalties in the county current expense fund to defray costs of collection and shall pay over to the state treasurer and account to the department for the remainder of the proceeds at the same time the county treasurer remits funds to the state under RCW 84.56.280. (RCW 82.45.180)

Any requests from county treasurers for adjustments to the funds which have been distributed to the state treasurer must be sent to the department for approval or denial. The department will forward all such requests which it approves to the state treasurer and return the requests it denies to the county treasurers along with an explanation for such denial. [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-060, filed 8/2/84; 82-15-070 (Order PT 82-5), § 458-61-060, filed 7/21/82.]

WAC 458-61-080 Affidavit requirements. (1) Except for the transfers listed under subsection (2) of this section, the real estate excise tax affidavit shall be required for all transfers of real property including, but not limited to, the following:

(a) Conveyance from one spouse to the other as a result of a decree of divorce or dissolution of a marriage or in fulfillment of a property settlement agreement incident thereto;

(b) Conveyance made pursuant to an order of sale by the court in any mortgage or lien foreclosure proceeding;

(c) Conveyance made pursuant to the provisions of a deed of trust;

(d) Conveyance of an easement in which consideration passes;

(e) A deed in lieu of foreclosure of mortgage;

(f) A deed in lieu of forfeiture of a real estate contract;

(g) Conveyance to the heirs in the settlement of an estate;

(h) Conveyance to or from the United States, the state of Washington, or any political subdivision or municipal corporation of this state.

(2) The real estate excise tax affidavit shall not be required for the following:

- (a) Conveyance of cemetery lots or graves;
 - (b) Conveyance for security purposes only and the instrument states on the face of it:
 - (i) For security only;
 - (ii) To secure a debt;
 - (iii) Assignment of a debt;
 - (iv) For collateral purposes only;
 - (v) Release of collateral;
 - (vi) To release security;
 - (c) A lease of real property that does not contain an option to purchase;
 - (d) A mortgage or deed of trust or satisfaction thereof;
 - (e) Conveyance of an easement in which no consideration passes or an easement to the United States, the state of Washington, or any political subdivision or municipal corporation of this state;
 - (f) A recording of a contract that changes only the contract terms and not the legal description, purchaser, or sales price, if the affidavit number of the previous transaction is reported;
 - (g) A seller's assignment of deed and contract;
 - (h) A fulfillment deed.
- (3) County treasurers shall not accept incomplete affidavits.

(a) Among other requirements set forth in WAC 458-61-030(1), all affidavits which state claims for tax exemption must show:

- (i) Current assessed values of parcels involved as of transaction date; and
- (ii) Complete reasons for exemptions (in all cases where the exemption is based upon a prior payment of the tax, the prior payment date, amount and affidavit number must be provided on the current affidavit: See WAC 458-61-400).

(b) A quitclaim deed is a conveyance instrument. It is not, in itself, a reason for tax exemption. A valid reason for the exemption must be shown on the affidavit.

(c) Statements such as "to clear title only" are not complete reasons for tax exemption. In this instance it must be stated that the grantee had prior title or an encumbrance upon such title and the prior affidavit number, county auditor's document number and the prior transaction date must be shown.

(d) When the transfer of property is to two or more grantees, the affidavit must clearly state the relationship between them such as joint tenants, tenants in common, partners, etc., and the form and proportion of interest that they are each acquiring.

(e) In the case of a used mobile home that is sold with the land upon which it is located, the county treasurer may require the completion of either two affidavits, both real and mobile home, or a single real property affidavit. At the county treasurer's option, a separate mobile home affidavit may not be required if the real property affidavit lists the make, model, year, size and serial number of the unit. Such information should be contained as a separate item within the legal description portion of the affidavit. [Statutory Authority: RCW 82.45.120 and

82.45.150. 84-17-002 (Order PT 84-3), § 458-61-080, filed 8/2/84; 82-15-070 (Order PT 82-5), § 458-61-080, filed 7/21/82.]

WAC 458-61-100 Refunds of tax paid. (1) Taxpayers seeking to contest the application of the real estate excise tax upon a particular transfer of real property must pay the tax prior to petition for refund.

(2) Taxpayers shall obtain copies of the "Petition for real estate excise tax refund" form from the county treasurers' offices, as provided by the department. After completing the form, the taxpayer shall submit the form and all documentation supporting the claim for refund to the county treasurer's office in the county where the tax was originally paid.

(3) If the taxpayer submits the petition for refund before the county treasurer has sent to the department the copy of the affidavit which receipted the tax payment now in question, the county treasurer is authorized to void the receipted affidavit copies, based upon the criteria listed in subsection (5) of this section, and issue the refund. If the county treasurer authorizes and issues such refund, the voided copy of the affidavit, with a copy of the refund petition attached, must be included in the monthly affidavit batch sent to the department. If the county treasurer does not authorize such refund, the treasurer shall send the petition for refund, along with a copy of the affidavit and all supporting records, to the department. The procedure for petitions sent to the department shall follow subsection (4) of this section.

(4) If the taxpayer submits the petition for refund after the county treasurer has sent to the department the copy of the affidavit which receipted the payment now in question, the county treasurer shall verify the information on the petition and forward it to the department with a copy of the affidavit and any other supporting records furnished by the taxpayer. The department shall approve or deny the refund. If denied, the petition for refund shall be returned to the petitioner with the reason for denial. The taxpayer may then appeal the imposition of the tax under the appeal procedures. See WAC 458-61-110: Tax appeals. If such petition is denied, the department will return to the petitioner all supporting documents which are submitted with the petition for refund.

The authority of the department to issue tax refunds under this chapter is limited to the following:

(a) Transactions that are completely rescinded with both parties restored to their original positions. In such case monies paid by the purchaser are not retained by the seller;

(b) Sales rescinded by court order. In such case a copy of the court decision must be attached to the department's affidavit copy by the county treasurer (see also WAC 458-61-330 - Court order);

(c) Double payment of the tax;

(d) Overpayment of the tax through error of computation;

(e) Failure of a taxpayer to claim tax exemption for a transfer which was properly exempt;

(f) Nonpayment of valuable consideration by grantee.

(5) The authority of the county treasurers to issue tax refunds under subsection (2) of this section is limited to the following reasons:

- (a) Double payment of the tax;
- (b) Overpayment of tax through error of computation;
- (c) Failure of a taxpayer to claim tax exemption for a transfer which was properly exempt;
- (d) Rescission of sale prior to closing; or
- (e) Nonpayment of valuable consideration by grantee.
- (6) Only the taxpayer or authorized agent may petition for a refund of tax.

(7) Refunds approved by the county treasurer or by the department shall be paid to the petitioner:

(a) After the real estate excise tax receipt stamp has been voided on the conveyance instrument provided that this conveyance instrument has not been recorded; or

(b) In the case where the conveyance instrument was recorded, after a second conveyance instrument has been recorded to reverse the effect of the original conveyance instrument.

In either of the above procedures (a) or (b), the county treasurer or department shall advise the petitioner of the approval of the refund and the necessity to provide the unrecorded conveyance instrument or a reversing conveyance instrument. The county treasurer shall note the issuance of the refund on the affidavit copy maintained in county files and shall notify the county assessors office of the refund. [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-100, filed 8/2/84; 83-02-022 (Order PT 82-10), § 458-61-100, filed 12/28/82; 82-15-070 (Order PT 82-5), § 458-61-100, filed 7/21/82.]

TAXABILITY OF TRANSFERS

WAC 458-61-210 Assignments--Purchasers. (1) The real estate excise tax does not apply to the following types of purchaser's assignments, provided that no consideration passes to the grantor:

(a) Deed in lieu of foreclosure of mortgage or deed in lieu of forfeiture of a real estate contract;

(b) Assumption by a grantee of the balance owing on an obligation which is secured by a mortgage, deed of trust or real estate contract; and

(c) Cancellation or forfeiture of the vendee's interest in a contract of sale.

The real estate excise tax affidavit is required for each of the above. If the transfer is to a third party other than the current lienholder, the grantor must furnish a notarized statement signed by both the grantor and grantee that no additional consideration of any kind is being paid by the grantee to the grantor or to any party other than current lienholders.

(2) The real estate excise tax applies to transfers where the purchaser of real property assigns his/her interest in such property and receives valuable consideration for that interest. The measure of the real estate excise tax is the sum of the consideration paid or contracted to be paid to the grantor of such assignment plus the unpaid principal balance due on the assigned mortgage or real estate contract. (Note: The consideration

passing to the assignor of such interest in real property nullifies the exemptions granted in subsection (1) of this section, because each of these exemptions is granted upon the condition that no consideration passes to the transferrer of the interest of real property.) [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-210, filed 8/2/84; 83-02-022 (Order PT 82-10), § 458-61-210, filed 12/28/82; 82-15-070 (Order PT 82-5), § 458-61-210, filed 7/21/82.]

WAC 458-61-220 Assignments--Sellers. The real estate excise tax does not apply where the vendor of real property assigns his/her interest to a third party. The real estate excise tax affidavit is not required. The instrument must be stamped by the county treasurer as required by RCW 82.45.090. Such stamp shall show the affidavit number on the prior sale for which the current assignment is made. [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-220, filed 8/2/84; 82-15-070 (Order PT 82-5), § 458-61-220, filed 7/21/82.]

WAC 458-61-230 Bankruptcy. A conveyance of real property by a trustee in bankruptcy is taxable under the real estate excise tax when made by a trustee conducting the business of the bankrupt. However, such a conveyance is not taxable when made by a trustee authorized only to liquidate the bankrupt's estate. For such tax exemption to be approved, the trustee must attach to the affidavit a supplemental statement which affirms that the trustee is authorized only to liquidate the bankrupt's estate. [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-230, filed 8/2/84; 82-15-070 (Order PT 82-5), § 458-61-230, filed 7/21/82.]

WAC 458-61-320 Corporation--Nonfamily. The real estate excise tax applies to all real property transfers between a corporation and its stockholders, officers, corporate affiliates, or other parties, including those between corporations and partnerships except the following transfers which are not taxable:

(1) Corporate mergers, consolidations and acquisitions which are accomplished by stock transfers.

(2) Corporate dissolution, except in a case where the stockholders assumed or agreed by contract to assume the liabilities of the dissolving corporation. In such event, the real estate excise tax applies to the extent of the liabilities assumed by the stockholder.

(3) Transfers between a parent corporation and its wholly-owned subsidiary corporation or between two or more subsidiary corporations, each of which is wholly-owned by the same parent corporation where no consideration passes. Consideration includes the issuance of stock or other negotiable instruments and is further defined in WAC 458-61-030(2).

(4) Transfer of real property to a newly-formed, beneficiary corporation from an incorporator as defined in RCW 23A.12.010 to the newly-formed corporation: *Provided*, That (a) the proper real estate excise tax was

paid on the original transfer to the incorporator; and (b) that it was documented on or before the original transfer that the incorporator was receiving title to the property on behalf of that corporation during its formation process. This tax exemption does not apply where a real property owner had acquired title in his/her own name and later transferred title to the corporation upon formation.

(5) Real property transfers qualifying for other tax exemptions under chapter 458-61 WAC. [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-320, filed 8/2/84; 82-15-070 (Order PT 82-5), § 458-61-320, filed 7/21/82.]

WAC 458-61-400 Fulfillment deed. A deed given the vendee in fulfillment of the terms of mortgage or contract is not subject to the real estate excise tax, provided that the proper tax was paid on the original transaction. The real estate excise tax affidavit is not required. The fulfillment deed must be stamped by the county treasurer as required by RCW 82.45.090. Such stamp shall show the affidavit number on the sale which this deed is fulfilling. [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-400, filed 8/2/84; 82-15-070 (Order PT 82-5), § 458-61-400, filed 7/21/82.]

WAC 458-61-510 Lease with option to purchase. The real estate excise tax shall apply to a lease with option to purchase when the purchase option is exercised:

(1) If the option to purchase must be exercised within a period no longer than two years after the original commencement of the lease and the amount of lease payments will not exceed half of the purchase price; or

(2) If none of the lease payments apply toward the ultimate sales price.

Transactions lacking the above criteria are taxable at the time that the lease with option to purchase agreement originates. The sales price shall be considered to be the purchase price stated in the lease-option agreement. If the selling price is not stated in the instrument, the grantor, grantee or the agent of either shall, by affidavit, state the option price intended and the tax levied hereunder shall be on such stated option price: *Provided*, That upon execution and delivery of the instrument of conveyance or transfer pursuant to such option a second affidavit stating the actual consideration shall be filed with the county treasurer. If the actual consideration passing is greater than the option price stated in the affidavit filed at the time the lease-option was executed, there shall be collected the tax on such additional amounts prior to the time the deed is accepted for recording. If the actual consideration is the same as the option price originally stated, no additional tax will be collected. If the actual consideration is less than the option price stated, refund of excess tax shall be made. [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-510, filed 8/2/84; 82-15-070 (Order PT 82-5), § 458-61-510, filed 7/21/82.]

WAC 458-61-590 Rescission of sale. The real estate excise tax does not apply to the transfer back of property from vendee to vendor. The tax paid on the original transfer is not refundable unless both parties are restored to their original positions. (See WAC 458-61-330; and 458-61-100 (4)(a).) [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-590, filed 8/2/84; 82-15-070 (Order PT 82-5), § 458-61-590, filed 7/21/82.]

WAC 458-61-680 Trust. The real estate excise tax does not apply to a conveyance into a revocable trust when such trust agreement names the grantor or the grantor's spouse and/or children as beneficiaries. The tax does not apply to a conveyance from a trustee to the original grantor or a beneficiary where no consideration passes. The real estate excise tax applies to the sale of real property by the trustee to a third party for valuable consideration. (See WAC 458-61-410: Gifts and 458-61-460: Inheritance.) [Statutory Authority: RCW 82.45.120 and 82.45.150. 84-17-002 (Order PT 84-3), § 458-61-680, filed 8/2/84; 82-15-070 (Order PT 82-5), § 458-61-680, filed 7/21/82.]

Title 460 WAC

SECURITIES DIVISION (DEPARTMENT OF LICENSING)

Chapters

460-16A	General rules.
460-20A	Broker-dealers and salesmen.
460-24A	Investment advisers.
460-44A	Exempt transactions.
460-90A	Camping clubs--Contracts--Resale, etc.

Chapter 460-16A WAC GENERAL RULES

WAC

460-16A-109 Hi-tech exemption from cheap stock rule.

WAC 460-16A-109 Hi-tech exemption from cheap stock rule. (1) "Hi-tech companies" do not have to comply with the provisions of WAC 460-16A-106, 460-16A-107, and 460-46A-050.

(2) For the purposes of this section "Hi-tech company" means a company that is primarily engaged in the development or production, for commercial marketing, of a new product or products that involve new technology. The principal product or products must be developed at least to the stage of having a working prototype or example and shall include computer software and products of genetic engineering. [Statutory Authority: RCW 21.20.280(8) and 21.20.450. 84-07-043 (Order SDO-39-84), § 460-16A-109, filed 3/21/84.]