

WSR 23-06-074
PREPROPOSAL STATEMENT OF INQUIRY
DEPARTMENT OF REVENUE
[Filed March 1, 2023, 9:55 a.m.]

Subject of Possible Rule Making: WAC 458-20-13501 Timber harvest operations.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 82.32.300, 82.01.060(2), 82.45.150.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: Timber harvesting operations involved multiple activities, including extracting, hauling, manufacturing, and selling (standing and harvested timber). RCW 82.04.260 provides a preference business and occupation (B&O) tax rate for businesses engaged in timber product activities (extracting, manufacturing, selling). RCW 82.16.020 gives a reduced public utility tax for businesses that are engaged in log transportation. RCW 82.04.333 provides a B&O tax exemption to "small harvester" as defined under RCW 84.33.035. In addition, RCW 82.04.440 provides a B&O tax credit to businesses who conduct manufacturing, extracting, and selling activities within this state. This rule provides guidance on the tax application of the statutes, the filing and reporting obligations, and other taxes (real estate excise and timber tax) that may apply to this industry.

The department plans to share the proposed rule amendments with the public in advance of the public meeting and discuss any proposed amendments during the public meeting.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: Not applicable.

Process for Developing New Rule: Parties interested in this rule making may contact the individual listed below. The public may also participate by providing written comments throughout this rule-making process, or giving oral testimony at the public meeting or hearing.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Tiffany Do, 6400 Linderson Way S.W., P.O. Box 47453, Tumwater, WA 98504-7453, phone 360-534-1558, fax 360-534-1606, TTY 800-833-6384, email TiffanyD@dor.wa.gov, website www.dor.wa.gov.

Additional comments: Written comments may be submitted by mail or email and should be directed to Tiffany Do using one of the contact methods above. Written and oral comments will be accepted at the public meeting on April 11, 2023, at 10:00 a.m.

Public meeting location: This meeting will be conducted over the internet/telephone. An in-person option will also be available. Contact Cathy Holder at CathyH@dor.wa.gov for dial-in/login information. If you would like to attend in person, please RSVP by emailing CathyH@dor.wa.gov by March 28, 2023.

March 1, 2023
Atif Aziz
Rules Coordinator