

SENATE BILL REPORT

HB 2478

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 28, 1994

**Brief Description:** Requiring reporting to the department of revenue by purchasers of timber and logs.

**SPONSORS:** Representatives Foreman and G. Fisher; by request of Department of Revenue

**HOUSE COMMITTEE ON REVENUE**

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass as amended.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Bluechel, Gaspard, Hargrove, Owen, Pelz, L. Smith, Snyder, Spanel, Sutherland, Talmadge, Williams and Wojahn.

**Minority Report:** Do not pass.

Signed by Senators Anderson, Cantu, Hochstatter and West.

**Staff:** Terry Wilson (786-7715)

**Hearing Dates:** February 22, 1994; February 28, 1994

**BACKGROUND:**

The timber excise tax is based on timber stumpage values. Stumpage is the value of timber as it stands uncut in the woods. The Department of Revenue is required by law to establish timber stumpage values semi-annually. Until about two years ago, the department used publicly-owned timber sales as comparable sales for computing stumpage values. Recently, the number of public sales has declined significantly.

Two years ago the department adopted an administrative rule requiring buyers of privately-owned timber to report details of those sales.

**SUMMARY:**

Buyers of privately-owned timber in excess of 100,000 board feet are required to report the details of those transactions to the department. Buyers who fail to report are liable for a penalty of \$250 for each failure to report.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**SUMMARY OF PROPOSED COMMITTEE AMENDMENT:**

The bill sunsets March 1, 1997, and the 100,000 board feet requirement is raised to 200,000. An optional form is provided.

**TESTIMONY FOR:**

Stumpage value tables are not keeping pace with values. The rule was not effective because it was voluntary. Oregon's similar statute has a \$1,000 penalty. A lot of data is needed because there are many species of timber.

**TESTIMONY AGAINST:**

The 100,000 board feet threshold should be higher.

**TESTIFIED:** Representative Foreman, prime sponsor (pro); Fred Saeger, WA Assn. of County Officials (pro); Pat Harper, NW Forest Assn. (con); Richard Junk, WA Forest Protection Assn. (pro)