

SENATE BILL REPORT

SB 5248

AS PASSED SENATE, MARCH 9, 1993

Brief Description: Excluding pollination agents from "sale at retail" and "retail sale" definition for business and occupation tax.

SPONSORS: Senators M. Rasmussen, Barr, Loveland, Newhouse and Bauer

SENATE COMMITTEE ON AGRICULTURE

Majority Report: Do pass.

Signed by Senators M. Rasmussen, Chairman; Loveland, Vice Chairman; Anderson, Barr, Bauer, Newhouse, and Snyder.

Staff: John Stuhlmiller (786-7446)

Hearing Dates: January 26, 1993; February 16, 1993

BACKGROUND:

Currently the feed, seed, seedlings, fertilizer, and spray materials sold to farmers are exempt from the sales and use tax when the products are used to grow any agricultural product.

Concern has been expressed over the Department of Revenue's recent interpretation of this exemption. This new interpretation does not allow the exemption to cover the sale of bees to farmers for the pollination enhancement of crops.

SUMMARY:

Pollination agents are specifically added to the list of agricultural inputs exempt from the sales and use tax.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

Farmers and beekeepers should not be required to pay tax on the sale or rental of products used to pollinate plants. Pollination serves the same purpose as fertilizer.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Bob Zahler, Dennis Sires, Carl Van Wechel, Washington State Beekeepers; Les Clemons, Washington Seed Council

