

# HOUSE BILL REPORT

## HB 1495

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**As Reported By House Committee On:**  
Natural Resources

**Title:** An act relating to the timber excise tax small harvester option.

**Brief Description:** Expanding timber excise tax small harvester option.

**Sponsors:** Representatives Basich, Hatfield, Fuhrman, Sheldon, Foreman, Chappell, Mastin, Johnson and Morris.

**Brief History:**

**Committee Activity:**

Natural Resources: 2/7/95, 2/10/95 [DP].

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### HOUSE COMMITTEE ON NATURAL RESOURCES

**Majority Report:** Do pass. Signed by 15 members: Representatives Fuhrman, Chairman; Buck, Vice Chairman; Pennington, Vice Chairman; Basich, Ranking Minority Member; Regala, Assistant Ranking Minority Member; Beeksmas; Cairnes; Elliot; G. Fisher; Jacobsen; Romero; Sheldon; Stevens; B. Thomas and Thompson.

**Staff:** Rick Anderson (786-7114).

**Background:** Standing timber is exempt from property taxes but is subject to a 5 percent timber excise tax at the time of harvest.

The base of the 5 percent excise tax is the stumpage value of the standing timber. The "stumpage value" is the value of the standing timber without any deduction for logging or transportation costs. The Department of Revenue determines stumpage value tables for use by timber owners who harvest their own timber.

A "small harvester" is defined as someone who harvests 500,000 board feet or less in any quarter and one million board feet or less in any calendar year.

Small harvesters may calculate their timber excise tax in one of three ways: 1) use the Department of Revenue's stumpage value tables; 2) use the actual sales price of the standing timber; or 3) use the actual sales price minus costs of harvesting and marketing, if the timber is sold after harvest. If the landowner cannot document

these costs, the deduction is determined by the department but cannot be less than 25 percent of the actual sales price.

**Summary of Bill:** The definition of small harvester is changed to one whose harvests do not exceed 2 million board feet in a calendar year.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 1995.

**Testimony For:** The Department of Revenue's stumpage value tables often do not apply well to small harvesters. The bill increases equity by providing greater flexibility to small harvesting companies.

**Testimony Against:** None.

**Testified:** Laura Overton, North Bay Land Company; Ben Harrison, private citizen; and Nels Hanson, Washington Farm Forestry Association (all in favor).