

FINAL BILL REPORT

HB 1495

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Synopsis as Enacted

Brief Description: Expanding timber excise tax small harvester option.

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

House Committee on Natural Resources

House Committee on Finance

Senate Committee on Ways & Means

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

Votes on Final Passage:

House	96 0
Senate	42 0

Effective: July 1, 1995