

HB 1107

Bill Analysis

March 4, 1997

Brief Description: Allowing county excise taxation of harvesters of timber on publicly owned land.

Bill Sponsors: Representatives Buck, Boldt, Doumit, Hatfield, McMorris, Kessler, Sheldon, Schoesler, Mastin, Sump, Morris, Johnson and DeBolt.

Staff: Rick Peterson (786-7150)

Background: The timber excise tax is imposed on harvesters of timber in this state. The tax rate is 5 percent of the stumpage value of the timber harvested. The state excise tax applies to timber harvested on both publicly- and privately-owned land.

A county may choose to impose a tax on harvesters of timber from privately-owned lands in that county. If a county chooses to impose this tax, the county receives 4 percent of the total 5 percent tax, and the state receives the remaining 1 percent. County timber tax revenues are allocated to debt service and capital projects payments, school districts, and other taxing districts.

A county does not receive timber excise tax revenues on harvests from publicly-owned land in the county; the state receives the full 5 percent from harvests on these lands. However, the local taxing districts receive property tax revenues from public timber that is sold to a private party. The timber is placed on the regular property tax roll at the time it is sold and the property tax is based on the value of the timber. This timber remains on the tax roll until the timber is harvested. These property tax payments are allowed as a credit against the state timber excise tax assessment.

Summary of Bill: Counties receive the same 4 percent timber excise tax revenues from harvests on publicly-owned land in the county as they do from privately owned land. Timber tax revenues accruing to the state from harvests on publicly owned land drop from a rate of 5 percent to a rate of 1 percent of the stumpage value of the harvested timber.

Fiscal Note: Available

Effective Date: Ninety days after adjournment of session in which bill is passed.

House of Representatives
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