

# HOUSE BILL REPORT

## HB 2303

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**As Passed House:**

May 18, 1999

**Title:** An act relating to the effective date of the timber tax credit enacted during 1999.

**Brief Description:** Establishing an effective date for the 1999 timber tax credit.

**Sponsors:** Representatives Regala and Buck.

**Brief History:**

**Floor Activity:**

Passed House: 5/18/99, 96-1.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>· Changes the effective date for a timber tax credit to January 1, 2000.</li></ul>
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**Staff:** Rick Peterson (786-7150).

**Background:**

The timber excise tax is paid when timber is harvested. The state tax rate equals five percent of the stumpage value. The tax applies to timber harvested on public and private lands. A county tax equal to four percent applies to harvests on private lands and is credited against the state tax. Therefore the effective state rate on timber harvested from private land is one percent and five percent on timber harvested from public lands. The state tax is deposited in the general fund. The local tax is distributed to property taxing districts within the county.

A tax credit was enacted during the 1999 special session for timber harvested under a harvest permit subject to "enhanced aquatic resources requirements." This covers land which includes: riparian areas, wetlands, steep or unstable slopes, a federally approved habitat conservation plan, or an approved DNR road maintenance plan. The credit is equal to equal to eight-tenths of one percent of the stumpage value of timber harvested. The legislation did not specify an

effective date for the new credit, so it would take effect 90 days after the end of the session.

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**Summary of Bill:**

The timber tax credit for timber harvested under a harvest permit subject to enhanced aquatic resources requirements is effective for timber harvested on and after January 1, 2000.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.