

# SENATE BILL REPORT

## SB 5585

---

---

As Reported By Senate Committee On:  
Agriculture & Rural Economic Development, February 24, 1999

**Title:** An act relating to tax rate modifications for animal health products.

**Brief Description:** Reducing the tax on health products for animals.

**Sponsors:** Senators Rasmussen, Honeyford, Stevens, Morton, Snyder, Prentice and T. Sheldon.

**Brief History:**

**Committee Activity:** Agriculture & Rural Economic Development: 2/24/99 [DP-WM].

---

### SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Rasmussen, Chair; T. Sheldon, Vice Chair; Honeyford, Morton, Prentice, Stevens and Swecker.

**Staff:** David Johnson (786-7754)

**Background:** Sales of many products used in agriculture (such as feed, seed, seedlings, fertilizer, pollination agents, and spray materials) are exempt from retail sales and use tax. They are exempt only when sold for use in agricultural production, the federal Conservation Reserve Program, and certain habitat programs. There is a perceived need for items used in animal agriculture to be exempt as well.

**Summary of Bill:** An exemption from retail sales and use tax is provided for sales of substances used to optimize animal production, vaccinations, antibiotics, parasite treatment compounds, federally approved animal pharmaceuticals, and other health products for animals. These products are exempt only when sold for use in agricultural production, the federal Conservation Reserve Program, and certain habitat programs.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on August 1, 1999.

**Testimony For:** No other product used to create an agricultural product is taxed. This will keep those businesses currently involved in rural economies healthy, an easier task than attracting new businesses. Sales of these products in Washington will increase; many are now purchased through out-of-state catalogs to avoid the tax. These products are essential to healthy animals and often required to qualify items for export.

**Testimony Against:** None.

**Testified:** PRO: Chris Cheney, Dairy Federation; Linda Johnson, WA Farm Bureau; Jim Zimmerman, WA Fish Growers Assn. and Troutlodge; Robert Dickey, Rick Nelson, Karla Kay Fullerton, WA Cattlemen's Assn.; Mike Schwisow, WA Cattle Feeders Assn.