

SENATE BILL REPORT

SB 6711

As of January 28, 2000

Title: An act relating to a property tax exemption for farm equipment.

Brief Description: Providing a property tax exemption for farm equipment.

Sponsors: Senators Sheahan, Oke, Stevens, Honeyford, Zarelli, Rossi, Johnson, Morton, Long, Hochstatter, Swecker and Roach.

Brief History:

Committee Activity: Ways & Means: 1/31/2000.

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Staff: David Schumacher (786-7474)

Background: The property tax is applied annually to the assessed value of all property except that which is specifically exempt by law. Taxable property includes both real property and personal property. Real property is land and the buildings, structures, or improvements that are affixed to the land. Personal property includes all other property. Farm equipment is taxed as personal property.

In 1999 the Legislature changed the distressed area- programs into rural county- programs. However, the designation as a distressed county- still exists in statute. 28 counties currently qualify as distressed- by meeting certain unemployment and median income criteria.

Summary of Bill: Machinery and equipment used in commercial farming is exempt from the state portion of the property tax. To be eligible, the farm must be located in a distressed county.

Appropriation: None.

Fiscal Note: Available.

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