

FINAL BILL REPORT

2SSB 5947

C 18 L 01 E2
Synopsis as Enacted

Brief Description: Providing tax relief to dairy farmers and anaerobic digesters.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Rasmussen, Morton, Gardner and Honeyford).

Senate Committee on Agriculture & International Trade
Senate Committee on Ways & Means

Background: In 1998, the Legislature enacted the Dairy Nutrient Management Act to address water quality concerns associated with dairy farms. The legislation requires that each dairy farm in the state develop and implement a nutrient management plan that meets standard specifications. Plans include both physical and management elements. Physical elements include such items as pumps, pipes, spray guns, lagoons, concrete pads and structures, gutters and downspouts.

Pursuant to the 1998 legislation, plans are to be developed and approved by July 1, 2002. Plans must be certified that they have been fully implemented by December 31, 2003.

Summary: Once a dairy nutrient management plan has been certified as being fully implemented, the purchase of services, replacement equipment and parts necessary to maintain the plan are exempt from the retail sales and use tax. To obtain an exemption certificate, persons must submit an application to the Department of Revenue and satisfy eligibility requirements.

The retail sales and use tax must not apply to the sale of an anaerobic digester nor to services to install, construct or repair the digester. To qualify, the anaerobic digester must be used primarily to treat dairy manure.

Votes on Final Passage:

Senate 47 1

Second Special Session

Senate 43 1

House 83 0

Effective: July 13, 2001