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HOUSE BILL 1339

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State of Washington

57th Legislature

2001 Regular Session

By Representatives Linville, Ericksen, Barlean and Van Luven; by request of Department of Revenue

Read first time 01/24/2001. Referred to Committee on Finance.

1 AN ACT Relating to providing equity in the taxation of farmers;  
2 amending RCW 82.04.100, 82.04.213, 82.04.330, 82.08.0259, 82.12.0261,  
3 82.19.040, and 82.19.050; and repealing 82.08.0294 and 82.12.0294.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.04.100 and 1987 c 23 s 3 are each amended to read  
6 as follows:

7 "Extractor" means every person who from the person's own land or  
8 from the land of another under a right or license granted by lease or  
9 contract, either directly or by contracting with others for the  
10 necessary labor or mechanical services, for sale or for commercial or  
11 industrial use mines, quarries, takes or produces coal, oil, natural  
12 gas, ore, stone, sand, gravel, clay, mineral or other natural resource  
13 product, or fells, cuts or takes timber, Christmas trees other than  
14 plantation Christmas trees, or other natural products, or takes fish,  
15 (~~or takes, cultivates, or raises~~) shellfish, or other sea or inland  
16 water foods or products. "Extractor" does not include persons  
17 performing under contract the necessary labor or mechanical services  
18 for others(~~or persons cultivating or raising fish entirely within~~  
19 ~~confined rearing areas on the person's own land or on land in which the~~

1 ~~person has a present right of possession)); or persons ((who fell, cut,~~  
2 ~~or take plantation Christmas trees from the person's own land or from~~  
3 ~~land in which the person has a present right of possession)) meeting  
4 the definition of farmer under RCW 82.04.213.~~

5 **Sec. 2.** RCW 82.04.213 and 1993 sp.s. c 25 s 302 are each amended  
6 to read as follows:

7 (1) "Agricultural product" means any product of plant cultivation  
8 or animal husbandry including, but not limited to: A product of  
9 horticulture, grain cultivation, vermiculture, viticulture, or  
10 aquaculture as defined in RCW 15.85.020; plantation Christmas trees;  
11 turf; or any animal including but not limited to an animal that is a  
12 private sector cultured aquatic product as defined in RCW 15.85.020, or  
13 a bird, or insect, or the substances obtained from such an animal.  
14 "Agricultural product" does not include animals ~~((intended to be pets))~~  
15 defined as pet animals under RCW 16.70.020.

16 (2) "Farmer" means any person engaged in the business of growing,  
17 raising, or producing, upon the person's own lands or upon the lands in  
18 which the person has a present right of possession, any agricultural  
19 product ~~((whatsoever for sale))~~ to be sold. "Farmer" does not include  
20 ~~((a person using such products as ingredients in a manufacturing~~  
21 ~~process, or))~~ a person growing, raising, or producing such products for  
22 the person's own consumption~~((—"Farmer" does not include))~~; a person  
23 selling any animal or substance obtained therefrom in connection with  
24 the person's business of operating a stockyard or a slaughter or  
25 packing house~~((—"Farmer" does not include any))~~; or a person in  
26 respect to the business of taking, cultivating, or raising timber.

27 **Sec. 3.** RCW 82.04.330 and 1993 sp.s. c 25 s 305 are each amended  
28 to read as follows:

29 This chapter shall not apply to any farmer that sells any  
30 agricultural product at wholesale or to any farmer who grows, raises,  
31 or produces agricultural products owned by others, such as custom feed  
32 operations. This exemption shall not apply to any person selling such  
33 products at retail or to any person selling manufactured substances or  
34 articles.

35 This chapter shall also not apply to any persons who participate in  
36 the federal conservation reserve program or its successor administered

1 by the United States department of agriculture with respect to land  
2 enrolled in that program.

3 **Sec. 4.** RCW 82.08.0259 and 1980 c 37 s 27 are each amended to read  
4 as follows:

5 The tax levied by RCW 82.08.020 shall not apply to sales of  
6 (~~purebred~~) livestock, as defined in RCW 16.36.005, for breeding  
7 purposes where the animals are registered in a nationally recognized  
8 breed association; or to sales of cattle and milk cows used on the  
9 farm.

10 **Sec. 5.** RCW 82.12.0261 and 1980 c 37 s 60 are each amended to read  
11 as follows:

12 The provisions of this chapter shall not apply in respect to the  
13 use of (~~purebred~~) livestock, as defined in RCW 16.36.005, for  
14 breeding purposes where said animals are registered in a nationally  
15 recognized breed association; or to sales of cattle and milk cows used  
16 on the farm.

17 **Sec. 6.** RCW 82.19.040 and 1992 c 175 s 6 are each amended to read  
18 as follows:

19 (1) To the extent applicable, all of the (~~provisions~~) definitions  
20 of chapter(~~s~~) 82.04 RCW and all of the provisions of chapter 82.32  
21 RCW apply to the tax imposed in this chapter(~~(, except RCW 82.04.220~~  
22 ~~through 82.04.290, and 82.04.330))~~).

23 (2) Taxes collected under this chapter shall be deposited in the  
24 waste reduction, recycling, and litter control account under RCW  
25 70.93.180.

26 **Sec. 7.** RCW 82.19.050 and 1992 c 175 s 7 are each amended to read  
27 as follows:

28 The litter tax imposed in this chapter does not apply to:

29 (1) The manufacture or sale of products for use and consumption  
30 outside the state; or

31 (2) The value of products or gross proceeds of the sales (~~(of any~~  
32 ~~animal, bird, or insect or the milk, eggs, wool, fur, meat, honey, or~~  
33 ~~other substance obtained therefrom, if the person performs only the~~  
34 ~~growing or raising function of such animal, bird, or insect)) exempt  
35 from tax under RCW 82.04.330.~~

1        NEW SECTION.   **Sec. 8.**   The following acts or parts of acts are each  
2 repealed:

3        (1) RCW 82.08.0294 (Exemptions--Sales of feed for cultivating or  
4 raising fish for sale) and 1985 c 148 s 3; and

5        (2) RCW 82.12.0294 (Exemptions--Use of feed for cultivating or  
6 raising fish for sale) and 1985 c 148 s 4.

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