
SENATE BILL 5696

State of Washington

57th Legislature

2001 Regular Session

By Senators Rasmussen, Honeyford, Kastama, T. Sheldon, Sheahan, Morton, Prentice, Spanel, Jacobsen and Stevens

Read first time 01/31/2001. Referred to Committee on Agriculture & International Trade.

1 AN ACT Relating to providing a tax rate for manufacturers of
2 dairy products comparable to other processors of agricultural
3 commodities; reenacting and amending RCW 82.04.260; and providing
4 an effective date.

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

6 **Sec. 1.** RCW 82.04.260 and 1998 c 312 s 5 and 1998 c 311 s 2 are
7 each reenacted and amended to read as follows:

8 (1) Upon every person engaging within this state in the
9 business of manufacturing:

10 (a) Wheat into flour, barley into pearl barley, soybeans into
11 soybean oil, canola into canola oil, canola meal, or canola
12 byproducts, or sunflower seeds into sunflower oil; as to such
13 persons the amount of tax with respect to such business shall be
14 equal to the value of the flour, pearl barley, oil, canola meal,
15 or canola byproduct manufactured, multiplied by the rate of 0.138
16 percent;

17 (b) Seafood products which remain in a raw, raw frozen, or raw
18 salted state at the completion of the manufacturing by that

1 person; as to such persons the amount of tax with respect to such
2 business shall be equal to the value of the products manufactured,
3 multiplied by the rate of 0.138 percent; ((and))

4 (c) By canning, preserving, freezing, processing, or
5 dehydrating fresh fruits and vegetables, or selling at wholesale
6 fresh fruits and vegetables canned, preserved, frozen, processed,
7 or dehydrated by the seller and sold to purchasers who transport
8 in the ordinary course of business the goods out of this state; as
9 to such persons the amount of tax with respect to such business
10 shall be equal to the value of the products canned, preserved,
11 frozen, processed, or dehydrated multiplied by the rate of 0.138
12 percent. As proof of sale to a person who transports in the
13 ordinary course of business goods out of this state, the seller
14 shall annually provide a statement in a form prescribed by the
15 department and retain the statement as a business record; and

16 (d) Dairy products that as of the effective date of this
17 section are identified in 21 C.F.R., chapter 1, parts 131, 133,
18 and 135, including byproducts from the manufacturing of the dairy
19 products such as whey and casein; or selling the same to
20 purchasers who transport in the ordinary course of business the
21 goods out of state; as to such persons the tax imposed shall be
22 equal to the value of the products manufactured multiplied by the
23 rate of 0.138 percent. As proof of sale to a person who transports
24 in the ordinary course of business goods out of this state, the
25 seller shall annually provide a statement in a form prescribed by
26 the department and retain the statement as a business record.

27 (2) Upon every person engaging within this state in the
28 business of splitting or processing dried peas; as to such persons
29 the amount of tax with respect to such business shall be equal to
30 the value of the peas split or processed, multiplied by the rate
31 of 0.138 percent.

32 (3) Upon every nonprofit corporation and nonprofit association
33 engaging within this state in research and development, as to such
34 corporations and associations, the amount of tax with respect to
35 such activities shall be equal to the gross income derived from
36 such activities multiplied by the rate of 0.484 percent.

37 (4) Upon every person engaging within this state in the
38 business of slaughtering, breaking and/or processing perishable

1 meat products and/or selling the same at wholesale only and not at
2 retail; as to such persons the tax imposed shall be equal to the
3 gross proceeds derived from such sales multiplied by the rate of
4 0.138 percent.

5 (5) Upon every person engaging within this state in the
6 business of making sales, at retail or wholesale, of nuclear fuel
7 assemblies manufactured by that person, as to such persons the
8 amount of tax with respect to such business shall be equal to the
9 gross proceeds of sales of the assemblies multiplied by the rate
10 of 0.275 percent.

11 (6) Upon every person engaging within this state in the
12 business of manufacturing nuclear fuel assemblies, as to such
13 persons the amount of tax with respect to such business shall be
14 equal to the value of the products manufactured multiplied by the
15 rate of 0.275 percent.

16 (7) Upon every person engaging within this state in the
17 business of acting as a travel agent or tour operator; as to such
18 persons the amount of the tax with respect to such activities
19 shall be equal to the gross income derived from such activities
20 multiplied by the rate of 0.275 percent.

21 (8) Upon every person engaging within this state in business as
22 an international steamship agent, international customs house
23 broker, international freight forwarder, vessel and/or cargo
24 charter broker in foreign commerce, and/or international air cargo
25 agent; as to such persons the amount of the tax with respect to
26 only international activities shall be equal to the gross income
27 derived from such activities multiplied by the rate of 0.275
28 percent.

29 (9) Upon every person engaging within this state in the
30 business of stevedoring and associated activities pertinent to the
31 movement of goods and commodities in waterborne interstate or
32 foreign commerce; as to such persons the amount of tax with
33 respect to such business shall be equal to the gross proceeds
34 derived from such activities multiplied by the rate of 0.275
35 percent. Persons subject to taxation under this subsection shall be
36 exempt from payment of taxes imposed by chapter 82.16 RCW for that
37 portion of their business subject to taxation under this
38 subsection. Stevedoring and associated activities pertinent to the

1 conduct of goods and commodities in waterborne interstate or
2 foreign commerce are defined as all activities of a labor, service
3 or transportation nature whereby cargo may be loaded or unloaded
4 to or from vessels or barges, passing over, onto or under a wharf,
5 pier, or similar structure; cargo may be moved to a warehouse or
6 similar holding or storage yard or area to await further movement
7 in import or export or may move to a consolidation freight station
8 and be stuffed, unstuffed, containerized, separated or otherwise
9 segregated or aggregated for delivery or loaded on any mode of
10 transportation for delivery to its consignee. Specific activities
11 included in this definition are: Wharfage, handling, loading,
12 unloading, moving of cargo to a convenient place of delivery to
13 the consignee or a convenient place for further movement to export
14 mode; documentation services in connection with the receipt,
15 delivery, checking, care, custody and control of cargo required in
16 the transfer of cargo; imported automobile handling prior to
17 delivery to consignee; terminal stevedoring and incidental vessel
18 services, including but not limited to plugging and unplugging
19 refrigerator service to containers, trailers, and other
20 refrigerated cargo receptacles, and securing ship hatch covers.

21 (10) Upon every person engaging within this state in the
22 business of disposing of low-level waste, as defined in RCW
23 43.145.010; as to such persons the amount of the tax with respect
24 to such business shall be equal to the gross income of the
25 business, excluding any fees imposed under chapter 43.200 RCW,
26 multiplied by the rate of 3.3 percent.

27 If the gross income of the taxpayer is attributable to
28 activities both within and without this state, the gross income
29 attributable to this state shall be determined in accordance with
30 the methods of apportionment required under RCW 82.04.460.

31 (11) Upon every person engaging within this state as an
32 insurance agent, insurance broker, or insurance solicitor licensed
33 under chapter 48.17 RCW; as to such persons, the amount of the tax
34 with respect to such licensed activities shall be equal to the
35 gross income of such business multiplied by the rate of 0.484
36 percent.

37 (12) Upon every person engaging within this state in business
38 as a hospital, as defined in chapter 70.41 RCW, that is operated

1 as a nonprofit corporation or by the state or any of its political
2 subdivisions, as to such persons, the amount of tax with respect
3 to such activities shall be equal to the gross income of the
4 business multiplied by the rate of 0.75 percent through June 30,
5 1995, and 1.5 percent thereafter. The moneys collected under this
6 subsection shall be deposited in the health services account
7 created under RCW 43.72.900.

8 NEW SECTION. **Sec. 2.** This act takes effect August 1, 2001.

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