

2138-S

Sponsor(s): House Committee on Finance (originally sponsored by Representatives G. Chandler, Linville, Mulliken, Clements, Ericksen, Hatfield, Sump, Doumit, Morell, Grant, Pearson, Schoesler, Barlean, Buck, B. Chandler, Edwards and Jackley)

Brief Description: Promoting rural economic development.

**HB 2138-S.E - DIGEST**

(DIGEST AS ENACTED)

Promotes rural economic development.

Declares that the purpose of this act is to provide a tax rate for persons who manufacture dairy products that is commensurate to the rate imposed on certain other processors of agricultural commodities. This tax rate applies to persons who manufacture dairy products from raw materials such as fluid milk, dehydrated milk, or byproducts of milk such as cream, buttermilk, whey, butter, or casein.

Declares that it is not the intent of the legislature to provide this tax rate to persons who use dairy products as an ingredient or component of their manufactured product, such as milk-based soups or pizza. It is the intent that persons who manufacture products such as milk, cheese, yogurt, ice cream, whey, or whey products be subject to this rate.

Provides that the tax levied by RCW 82.08.020 does not apply to sales to farmers of propane or natural gas used to heat structures used to house chickens. The propane or natural gas must be used exclusively to heat the structures. The structures must be used exclusively to house chickens that are sold as agricultural products.

Provides that the provisions of chapter 82.12 RCW do not apply with respect to the use by a farmer of propane or natural gas to heat structures used to house chickens.

Provides that the tax levied by RCW 82.08.020 does not apply to sales to a farmer of bedding materials used to accumulate and facilitate the removal of chicken manure. The farmer must be raising chickens that are sold as agricultural products.

Declares that the provisions of chapter 82.12 RCW do not apply with respect to the use by a farmer of bedding materials used to accumulate and facilitate the removal of chicken manure. The farmer must be raising chickens that are sold as agricultural products.