
SENATE BILL 6028

State of Washington 58th Legislature 2003 Regular Session

By Senators Brandland, Spanel and Rasmussen

Read first time 03/10/2003. Referred to Committee on Ways & Means.

1 AN ACT Relating to the business and occupation taxation of
2 manufacturing flax seed into flax oil; amending RCW 82.04.260; and
3 providing an effective date.

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

5 **Sec. 1.** RCW 82.04.260 and 2001 2nd sp.s. c 25 s 2 are each amended
6 to read as follows:

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

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

15 (b) Seafood products which remain in a raw, raw frozen, or raw
16 salted state at the completion of the manufacturing by that person; as
17 to such persons the amount of tax with respect to such business shall
18 be equal to the value of the products manufactured, multiplied by the
19 rate of 0.138 percent;

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

12 (d) Dairy products that as of September 20, 2001, are identified in
13 21 C.F.R., chapter 1, parts 131, 133, and 135, including byproducts
14 from the manufacturing of the dairy products such as whey and casein;
15 or selling the same to purchasers who transport in the ordinary course
16 of business the goods out of state; as to such persons the tax imposed
17 shall be equal to the value of the products manufactured multiplied by
18 the rate of 0.138 percent. As proof of sale to a person who transports
19 in the ordinary course of business goods out of this state, the seller
20 shall annually provide a statement in a form prescribed by the
21 department and retain the statement as a business record.

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

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

31 (4) Upon every person engaging within this state in the business of
32 slaughtering, breaking and/or processing perishable meat products
33 and/or selling the same at wholesale only and not at retail; as to such
34 persons the tax imposed shall be equal to the gross proceeds derived
35 from such sales multiplied by the rate of 0.138 percent.

36 (5) Upon every person engaging within this state in the business of
37 making sales, at retail or wholesale, of nuclear fuel assemblies

1 manufactured by that person, as to such persons the amount of tax with
2 respect to such business shall be equal to the gross proceeds of sales
3 of the assemblies multiplied by the rate of 0.275 percent.

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

8 (7) Upon every person engaging within this state in the business of
9 acting as a travel agent or tour operator; as to such persons the
10 amount of the tax with respect to such activities shall be equal to the
11 gross income derived from such activities multiplied by the rate of
12 0.275 percent.

13 (8) Upon every person engaging within this state in business as an
14 international steamship agent, international customs house broker,
15 international freight forwarder, vessel and/or cargo charter broker in
16 foreign commerce, and/or international air cargo agent; as to such
17 persons the amount of the tax with respect to only international
18 activities shall be equal to the gross income derived from such
19 activities multiplied by the rate of 0.275 percent.

20 (9) Upon every person engaging within this state in the business of
21 stevedoring and associated activities pertinent to the movement of
22 goods and commodities in waterborne interstate or foreign commerce; as
23 to such persons the amount of tax with respect to such business shall
24 be equal to the gross proceeds derived from such activities multiplied
25 by the rate of 0.275 percent. Persons subject to taxation under this
26 subsection shall be exempt from payment of taxes imposed by chapter
27 82.16 RCW for that portion of their business subject to taxation under
28 this subsection. Stevedoring and associated activities pertinent to
29 the conduct of goods and commodities in waterborne interstate or
30 foreign commerce are defined as all activities of a labor, service or
31 transportation nature whereby cargo may be loaded or unloaded to or
32 from vessels or barges, passing over, onto or under a wharf, pier, or
33 similar structure; cargo may be moved to a warehouse or similar holding
34 or storage yard or area to await further movement in import or export
35 or may move to a consolidation freight station and be stuffed,
36 unstuffed, containerized, separated or otherwise segregated or
37 aggregated for delivery or loaded on any mode of transportation for
38 delivery to its consignee. Specific activities included in this

1 definition are: Wharfage, handling, loading, unloading, moving of
2 cargo to a convenient place of delivery to the consignee or a
3 convenient place for further movement to export mode; documentation
4 services in connection with the receipt, delivery, checking, care,
5 custody and control of cargo required in the transfer of cargo;
6 imported automobile handling prior to delivery to consignee; terminal
7 stevedoring and incidental vessel services, including but not limited
8 to plugging and unplugging refrigerator service to containers,
9 trailers, and other refrigerated cargo receptacles, and securing ship
10 hatch covers.

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

17 If the gross income of the taxpayer is attributable to activities
18 both within and without this state, the gross income attributable to
19 this state shall be determined in accordance with the methods of
20 apportionment required under RCW 82.04.460.

21 (11) Upon every person engaging within this state as an insurance
22 agent, insurance broker, or insurance solicitor licensed under chapter
23 48.17 RCW; as to such persons, the amount of the tax with respect to
24 such licensed activities shall be equal to the gross income of such
25 business multiplied by the rate of 0.484 percent.

26 (12) Upon every person engaging within this state in business as a
27 hospital, as defined in chapter 70.41 RCW, that is operated as a
28 nonprofit corporation or by the state or any of its political
29 subdivisions, as to such persons, the amount of tax with respect to
30 such activities shall be equal to the gross income of the business
31 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
32 percent thereafter. The moneys collected under this subsection shall
33 be deposited in the health services account created under RCW
34 43.72.900.

35 NEW SECTION. **Sec. 2.** This act takes effect August 1, 2003.

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