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HOUSE BILL 2457

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State of Washington

59th Legislature

2006 Regular Session

By Representatives Grant, Williams, Blake, Clibborn, Linville, Cox, Buck, Haigh, Sump, Newhouse, Walsh, Buri, Haler, Morrell, Morris, Ericks, Strow, O'Brien and Holmquist

Prefiled 1/5/2006. Read first time 01/09/2006. Referred to Committee on Finance.

1 AN ACT Relating to excise tax relief for farm machinery and  
2 equipment; adding a new section to chapter 82.08 RCW; adding a new  
3 section to chapter 82.12 RCW; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW  
6 to read as follows:

7 (1) The tax levied by RCW 82.08.020 does not apply to the sale of:

8 (a) Used farm machinery and equipment to a farmer; or

9 (b) Replacement parts for, or services rendered in respect to, farm  
10 machinery and equipment used by a farmer.

11 (2) A person claiming an exemption under this section must keep  
12 records necessary for the department to verify eligibility under this  
13 section. An exemption is available only when the buyer provides the  
14 seller with an exemption certificate in a form and manner prescribed by  
15 the department. The seller shall retain a copy of the certificate for  
16 the seller's files.

17 (3) The definitions in this subsection apply to this section.

18 (a) "Farmer" and "agricultural products" have the meanings provided  
19 in RCW 82.04.213.

1 (b) "Farm machinery and equipment" means machinery and equipment  
2 designed for the purpose of growing, raising, or producing agricultural  
3 products.

4 (c) "Services" means labor for repairs, maintenance, or the  
5 replacement of parts, for farm machinery and equipment.

6 (d) "Used farm machinery and equipment" means farm machinery and  
7 equipment that:

8 (i) Has been previously sold at retail and has been subjected to  
9 tax under this chapter;

10 (ii) Has been previously used and has been subjected to tax under  
11 chapter 82.12 RCW;

12 (iii) Has previously sold at retail in any other state of the  
13 United States, any political subdivision thereof, the District of  
14 Columbia, or any foreign country or political subdivision thereof.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW  
16 to read as follows:

17 (1) The provisions of this chapter do not apply in respect to the  
18 use by a farmer of:

19 (a) Used farm machinery and equipment; or

20 (b) Replacement parts for, or services rendered in respect to, farm  
21 machinery and equipment.

22 (2) The definitions and recordkeeping requirements in section 1 of  
23 this act apply to this section.

24 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2006.

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