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SECOND SUBSTITUTE SENATE BILL 5663

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State of Washington

59th Legislature

2005 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Rasmussen, Schoesler, Doumit, Honeyford, Parlette, Jacobsen and Mulliken)

READ FIRST TIME 03/03/05.

1 AN ACT Relating to repealing and narrowing tax incentives for  
2 machinery and equipment used to reduce agricultural burning of cereal  
3 grains and grass grown for seed for air quality purposes; adding a new  
4 section to chapter 82.08 RCW; adding a new section to chapter 82.12  
5 RCW; creating a new section; repealing RCW 82.08.840, 82.12.840,  
6 82.04.4459, and 84.36.580; providing an effective date; providing  
7 expiration dates; and declaring an emergency.

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

9 NEW SECTION. **Sec. 1.** The legislature finds that rules enacted to  
10 improve air quality in selected parts of eastern Washington created a  
11 financial hardship for some growers of cereal grains and grass grown  
12 for seed. As stated in RCW 70.94.656, it is "the policy of this state  
13 ...to promote the development of economical and practical alternate  
14 agricultural practices to such burning...". The legislature provided  
15 tax incentives in 2000 to assist such growers transition to alternative  
16 management systems while further improving air quality. Because those  
17 incentives have been difficult to administer, the legislature finds  
18 that it is necessary to refine and narrow those incentives.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 82.08 RCW  
2 to read as follows:

3        (1) The tax levied by RCW 82.08.020 does not apply to:

4        (a) Sales of the following machinery and equipment to qualified  
5 farmers:    No-till drills, minimum-till drills, chisels, plows,  
6 sprayers, discs, cultivators, harrows, mowers, swathers, power rakes,  
7 balers, bale handlers, shredders, transplanters, tractors two hundred  
8 fifty horsepower and over designed to pull conservation equipment on  
9 steep hills and highly erodible lands, and combine components limited  
10 to straw choppers, chaff spreaders, and stripper headers; and

11        (b) Labor and services rendered in respect to constructing hay  
12 sheds for qualified farmers or to sales of tangible personal property  
13 to qualified farmers that becomes an ingredient or component of hay  
14 sheds during the course of the constructing.

15        (2)(a) No application is necessary for the tax exemption in this  
16 section.    A person taking the exemption under this section must keep  
17 records necessary for the department to verify eligibility.    The  
18 department may request from a qualified farmer, copies of farm service  
19 agency or crop insurance records for verification purposes, however  
20 information obtained from farm service agency or crop insurance records  
21 is deemed taxpayer information under RCW 82.32.330 and is not  
22 disclosable.

23        (b) The exemption is available only when the buyer provides the  
24 seller with an exemption certificate in a form and manner prescribed by  
25 the department.    The seller shall retain a copy of the certificate for  
26 the seller's files.

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

28        (a) "Qualified farmer" means a farmer as defined in RCW 82.04.213  
29 who has more than fifty percent of his or her tillable acres in cereal  
30 grains and/or field and turf grass grown for seed in qualified  
31 counties.

32        (b) "Qualified counties" means those counties in Washington state  
33 where cereal grain production within the county exceeds fifteen  
34 thousand acres, and cereal grain production from nonirrigated acreage  
35 exceeds cereal grain production from irrigated acreage.

36        (4) This section expires January 1, 2011.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 82.12 RCW  
2 to read as follows:

3        (1) The tax levied by RCW 82.12.020 does not apply in respect to:

4        (a) The use of the following machinery and equipment by qualified  
5 farmers:    No-till drills, minimum-till drills, chisels, plows,  
6 sprayers, discs, cultivators, harrows, mowers, swathers, power rakes,  
7 balers, bale handlers, shredders, transplanners, tractors two hundred  
8 fifty horsepower and over designed to pull conservation equipment on  
9 steep hills and highly erodible lands, and combine components limited  
10 to straw choppers, chaff spreaders, and stripper headers; and

11        (b) The use of tangible personal property that will be incorporated  
12 as an ingredient or component of hay sheds by a qualified farmer,  
13 during the course of constructing such hay sheds;

14        (2) The eligibility requirements, conditions, and definitions in  
15 section 2 of this act apply to this section.

16        (3) This section expires January 1, 2011.

17        NEW SECTION.    **Sec. 4.**    The following acts or parts of acts are each  
18 repealed:

19        (1) RCW 82.08.840 (Exemptions--Machinery, equipment, or structures  
20 that reduce field burning) and 2000 c 40 s 2;

21        (2) RCW 82.12.840 (Exemptions--Machinery, equipment, or structures  
22 that reduce field burning) and 2003 c 5 s 14 & 2000 c 40 s 3;

23        (3) RCW 82.04.4459 (Credit--Field burning reduction costs) and 2000  
24 c 40 s 4; and

25        (4) RCW 84.36.580 (Property used to reduce field burning) and 2000  
26 c 40 s 5.

27        NEW SECTION.    **Sec. 5.**    This act is necessary for the immediate  
28 preservation of the public peace, health, or safety, or support of the  
29 state government and its existing public institutions, and takes effect  
30 July 1, 2005.

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