

ESHB 2352 - S COMM AMD
By Committee on Ways & Means

ADOPTED 04/06/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
4 to read as follows:

5 (1) This chapter does not apply to any:

6 (a) Person performing custom farming services for a farmer, when
7 the person performing the custom farming services is: (i) An eligible
8 farmer; or (ii) at least fifty percent owned by an eligible farmer; or

9 (b) Person performing farm management services, contract labor
10 services, services provided with respect to animals that are
11 agricultural products, or any combination of these services, for a
12 farmer or for a person performing custom farming services, when the
13 person performing the farm management services, contract labor
14 services, services with respect to animals, or any combination of these
15 services, and the farmer or person performing custom farming services
16 are related.

17 (2) The definitions in this subsection apply throughout this
18 section.

19 (a) "Custom farming services" means the performance of specific
20 farming operations through the use of any farm machinery or equipment,
21 farm implement, or draft animal, together with an operator, when: (i)
22 The specific farming operation consists of activities directly related
23 to the growing, raising, or producing of any agricultural product to be
24 sold or consumed by a farmer; and (ii) the performance of the specific
25 farming operation is for, and under a contract with, or the direction
26 or supervision of, a farmer. "Custom farming services" does not
27 include the custom application of fertilizers, chemicals, or
28 biologicals.

29 For the purposes of this subsection (2)(a), "specific farming
30 operation" includes specific planting, cultivating, or harvesting

1 activities, or similar specific farming operations. The term does not
2 include veterinary services as defined in RCW 18.92.010; farrier,
3 boarding, training, or appraisal services; artificial insemination or
4 stud services, agricultural consulting services; packing or processing
5 of agricultural products; or pumping or other waste disposal services.

6 (b) "Eligible farmer" means a person who is eligible for an
7 exemption certificate under RCW 82.08.855 at the time that the custom
8 farming services are rendered, regardless of whether the person has
9 applied for an exemption certificate under RCW 82.08.855.

10 (c) "Farm management services" means the consultative decisions
11 made for the operations of the farm including, but not limited to,
12 determining which crops to plant, the choice and timing of application
13 of fertilizers and chemicals, the horticultural practices to apply, the
14 marketing of crops and livestock, and the care and feeding of animals.

15 (d) "Related" means having any of the relationships specifically
16 described in section 267(b) (1), (2), and (4) through (13) of the
17 internal revenue code, as amended or renumbered as of January 1, 2007.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.16 RCW
19 to read as follows:

20 (1) This chapter shall not apply to any person hauling agricultural
21 products or farm machinery or equipment for a farmer or for a person
22 performing custom farming services, when the person providing the
23 hauling and the farmer or person performing custom farming services are
24 related.

25 (2) The exemption provided by this section shall not apply to the
26 hauling of any substances or articles manufactured from agricultural
27 products. For the purposes of this subsection, "manufactured" has the
28 same meaning as "to manufacture" in RCW 82.04.120.

29 (3) The definitions in RCW 82.04.213 and section 1 of this act
30 apply to this section.

31 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2007.

32 NEW SECTION. **Sec. 4.** This act expires December 31, 2020."

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1 On page 1, line 2 of the title, after "services;" strike the
2 remainder of the title and insert "adding a new section to chapter
3 82.04 RCW; adding a new section to chapter 82.16 RCW; providing an
4 effective date; and providing an expiration date."

EFFECT: Makes a technical correction to the striker adopted by
the Agricultural and Rural Economic Development Committee. That
amendment removed the 50 mile requirement for custom farming and added
a definition of "eligible farmer." Deletes subsection (3) from the
definition of "related" in the internal revenue code section 267(b).

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