

SENATE BILL REPORT

HB 1185

As Reported By Senate Committee On:
Ways & Means, March 15, 2007

Title: An act relating to extending the expiration date for reporting requirements on timber purchases.

Brief Description: Extending the expiration date for reporting requirements on timber purchases.

Sponsors: Representatives VanDeWege, Kristiansen, Kretz, Blake, Orcutt, Kessler and Haigh.

Brief History: Passed House: 2/05/07, 95-0.

Committee Activity: Ways & Means: 3/15/07 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Rockefeller, Schoesler and Tom.

Staff: Dianne Criswell (786-7433)

Background: Every harvester of timber is required to pay an excise tax of 5 percent of the stumpage value of any trees that he or she harvests. The excise tax applies to timber harvested from both private and public lands.

Every person who purchases more than 200,000 board feet of private timber in a voluntary sale is required to report certain information to the Department of Revenue. Information that is required to be reported includes: the sale date; the total sale price; total acreage involved in the sale; net volume of timber purchased; road construction that was required; data from the timber cruise; and any timber thinning information. The department may assess a penalty of \$250 for failure to report the required information.

Information gathered in the reports is used by the department to establish tables of stumpage values. A stumpage table is required to be prepared for each species of tree that is commercially harvested in Washington. The values on the tables indicate the amount that each species would sell for at a voluntary sale made in the ordinary course of business. The stumpage value tables are used to calculate the excise tax due from certain timber harvesters.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The requirement to report sales information to the department expires on July 1, 2007.

Summary of Bill: The expiration date of the requirement that data about timber purchases be reported to the department is extended from 2007 until 2010.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2007.

Staff Summary of Public Testimony (on companion bill SB 5035): PRO: The Department of Revenue and timber harvesters have worked together in the past to get values established for a stumpage table for the forest excise tax through this timber purchase reporting process. Pushing back the sunset date allows this successful process to continue.

Persons Testifying: PRO: Senator Hatfield, prime sponsor; Gil Brewer, Department of Revenue; John Ehrenreich, Washington Forest Protection Association.