

SHB 2278 - H AMD 265

By Representative Hunter

ADOPTED 03/09/2009

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

3 "Sec. 1. RCW 82.08.890 and 2006 c 151 s 2 are each amended to read
4 as follows:

5 (1) The tax levied by RCW 82.08.020 does not apply to sales to
6 eligible persons of:

7 (a) Qualifying livestock nutrient management equipment;

8 (b) Labor and services rendered in respect to installing,
9 repairing, cleaning, altering, or improving qualifying livestock
10 nutrient management equipment; and

11 (c)(i) Labor and services rendered in respect to ((operating,))
12 repairing, cleaning, altering, or improving of qualifying livestock
13 nutrient management ((equipment and)) facilities, or to ((sales of))
14 tangible personal property that becomes an ingredient or component of
15 ((the equipment and)) qualifying livestock nutrient management
16 facilities in the course of repairing, cleaning, altering, or improving
17 of such facilities.

18 (ii) The exemption provided in this subsection (1)(c) does not
19 apply to the sale of or charge made for: (A) Labor and services
20 rendered in respect to the constructing of new, or replacing previously
21 existing, qualifying livestock nutrient management facilities; or (B)
22 tangible personal property that becomes an ingredient or component of
23 qualifying livestock nutrient management facilities during the course
24 of constructing new, or replacing previously existing, qualifying
25 livestock nutrient management facilities.

26 ~~(2)((a) To be eligible, the equipment and facilities must be used~~
27 ~~exclusively for activities necessary to maintain a livestock nutrient~~
28 ~~management plan.~~

29 ~~(b))~~ The exemption provided in subsection (1) of this section
30 applies to sales made after the livestock nutrient management plan is:

1 ((+i+)) (a) Certified under chapter 90.64 RCW; ((+ii+)) (b) approved as
2 part of the permit issued under chapter 90.48 RCW; or ((+iii+)) (c)
3 approved as required under subsection (4)(c)(iii) of this section.

4 (3)(a) The department of revenue must provide an exemption
5 certificate to an eligible person upon application by that person. The
6 department of agriculture must provide a list of eligible persons, as
7 defined in subsection (4)(c)(i) and (ii) of this section, to the
8 department of revenue. Conservation districts must maintain lists of
9 eligible persons as defined in subsection (4)(c)(iii) of this section
10 to allow the department of revenue to verify eligibility. The
11 application must be in a form and manner prescribed by the department
12 and must contain information regarding the location of the dairy or
13 animal feeding operation and other information the department may
14 require.

15 (b) A person claiming an exemption under this section must keep
16 records necessary for the department to verify eligibility under this
17 section. The exemption is available only when the buyer provides the
18 seller with an exemption certificate in a form and manner prescribed by
19 the department. The seller must retain a copy of the certificate for
20 the seller's files.

21 (4) The definitions in this subsection apply to this section and
22 RCW 82.12.890 unless the context clearly requires otherwise:

23 (a) "Animal feeding operation" means a lot or facility, other than
24 an aquatic animal production facility, where the following conditions
25 are met:

26 (i) Animals, other than aquatic animals, have been, are, or will be
27 stabled or confined and fed or maintained for a total of forty-five
28 days or more in any twelve-month period; and

29 (ii) Crops, vegetation, forage growth, or postharvest residues are
30 not sustained in the normal growing season over any portion of the lot
31 or facility.

32 (b) "Conservation district" means a subdivision of state government
33 organized under chapter 89.08 RCW.

34 (c) "Eligible person" means a person: (i) Licensed to produce milk
35 under chapter 15.36 RCW who has a certified dairy nutrient management
36 plan, as required by chapter 90.64 RCW; (ii) who owns an animal feeding
37 operation and has a permit issued under chapter 90.48 RCW; or (iii) who
38 owns an animal feeding operation and has a nutrient management plan

1 approved by a conservation district as meeting natural resource
2 conservation service field office technical guide standards and who
3 possesses an exemption certificate under RCW 82.08.855.

4 ~~(d) ("Livestock nutrient management equipment and facilities"~~
5 ~~means machinery, equipment, and structures used in the handling and~~
6 ~~treatment of livestock manure, such as aerators, agitators, alley~~
7 ~~scrapers, augers, dams, gutter cleaners, loaders, lagoons, pipes,~~
8 ~~pumps, separators, and tanks. The term also includes tangible personal~~
9 ~~property that becomes an ingredient or component of the equipment and~~
10 ~~facilities, including repair and replacement parts.~~

11 ~~(e))~~ "Handling and treatment of livestock manure" means the
12 activities of collecting, storing, moving, or transporting livestock
13 manure, separating livestock manure solids from liquids, or applying
14 livestock manure to the agricultural lands of an eligible person other
15 than through the use of pivot or linear type traveling irrigation
16 systems.

17 (e) "Permit" means either a state waste discharge permit or a
18 national pollutant discharge elimination system permit, or both.

19 (f) "Qualifying livestock nutrient management equipment" means the
20 following tangible personal property for exclusive use in the handling
21 and treatment of livestock manure, including repair and replacement
22 parts for such equipment: (i) Aerators; (ii) agitators; (iii) augers;
23 (iv) conveyers; (v) gutter cleaners; (vi) hard-hose reel traveler
24 irrigation systems; (vii) lagoon and pond liners and floating covers;
25 (viii) loaders; (ix) manure composting devices; (x) manure spreaders;
26 (xi) manure tank wagons; (xii) manure vacuum tanks; (xiii) poultry
27 house cleaners; (xiv) poultry house flame sterilizers; (xv) poultry
28 house washers; (xvi) poultry litter saver machines; (xvii) pipes;
29 (xviii) pumps; (xix) scrapers; (xx) separators; (xxi) slurry injectors
30 and hoses; and (xxii) wheelbarrows, shovels, and pitchforks.

31 (g) "Qualifying livestock nutrient management facilities" means the
32 following structures and facilities for exclusive use in the handling
33 and treatment of livestock manure: (i) Flush systems; (ii) lagoons;
34 (iii) liquid livestock manure storage structures, such as concrete
35 tanks or glass-lined steel tanks; and (iv) structures used solely for
36 the dry storage of manure, including roofed stacking facilities.

1 **Sec. 2.** RCW 82.12.890 and 2006 c 151 s 3 are each amended to read
2 as follows:

3 (1) The provisions of this chapter do not apply with respect to the
4 use by an eligible person of (~~tangible personal property that becomes~~
5 ~~an ingredient or component of livestock nutrient management equipment~~
6 ~~and facilities, as defined in RCW 82.08.890, or to labor and services~~
7 ~~rendered in respect to repairing, cleaning, altering, or improving~~
8 ~~eligible tangible personal property.))):~~

9 (a) Qualifying livestock nutrient management equipment;

10 (b) Labor and services rendered in respect to installing,
11 repairing, cleaning, altering, or improving qualifying livestock
12 nutrient management equipment; and

13 (c)(i) Tangible personal property that becomes an ingredient or
14 component of qualifying livestock nutrient management facilities in the
15 course of repairing, cleaning, altering, or improving of such
16 facilities.

17 (ii) The exemption provided in this subsection (1)(c) does not
18 apply to the use of tangible personal property that becomes an
19 ingredient or component of qualifying livestock nutrient management
20 facilities during the course of constructing new, or replacing
21 previously existing, qualifying livestock nutrient management
22 facilities.

23 ~~(2)((a) To be eligible, the equipment and facilities must be used~~
24 ~~exclusively for activities necessary to maintain a livestock nutrient~~
25 ~~management plan.~~

26 ~~(b))~~ The exemption applies to the use of tangible personal
27 property (~~or~~) and labor and services made after the livestock
28 nutrient management plan is: ~~((i))~~ (a) Certified under chapter 90.64
29 RCW; ~~((ii))~~ (b) approved as part of the permit issued under chapter
30 90.48 RCW; or ~~((iii))~~ (c) approved as required under RCW
31 82.08.890(4)(c)(iii).

32 (3) The exemption certificate and recordkeeping requirements of RCW
33 82.08.890 apply to this section. The definitions in RCW 82.08.890
34 apply to this section."

35 Correct the title.

EFFECT: Adds additional property to the list of items exempt from

sales and use tax. Makes technical corrections.

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