

FINAL BILL REPORT

HB 2659

C 197 L 10
Synopsis as Enacted

Brief Description: Modifying reporting requirements for timber purchases.

Sponsors: Representatives Ormsby, Orcutt, Blake, Smith, Sullivan and Van De Wege.

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background:

Every harvester of timber is required to pay an excise tax of 5 percent of the stumpage value of any trees that are harvested. 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 in a timber purchase report to the Department of Revenue (Department). Information that is required in the timber purchase report includes the sale date, 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 submit the timber purchase report each month.

Information gathered in the timber purchase report 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 each timber harvester.

The requirement to submit a timber purchase report to the Department expires on July 1, 2010.

Summary:

The timber purchase report requirement is revised to also include:

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- the seller's name, address and contact information;
- the forest practices application or harvest permit number, if available;
- an estimate of net volume by tree species and log grade; and
- a description and value of all property improvements such as road construction, road improvements, reforestation, land clearing, and stock piling of rocks;

Timber cruise and timber thinning data are no longer required information for the timber purchase report. Timber purchase reports submitted are confidential taxpayer.

The expiration date for authority to require a timber purchase report is extended from July 1, 2010, to July 1, 2014.

Votes on Final Passage:

House	95	0
Senate	47	0

Effective: June 10, 2010