

# HOUSE BILL REPORT

## HB 2099

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**As Passed House:**  
February 13, 2014

**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 Vick, Blake, Buys, Van De Wege, Orcutt, Haler, Ross and Fagan.

**Brief History:**

**Committee Activity:**

Agriculture & Natural Resources: 1/16/14, 1/23/14 [DP].

**Floor Activity:**

Passed House: 2/13/14, 97-0.

**Brief Summary of Bill**

- Extends the expiration date for a requirement that data about timber purchases be reported to the Department of Revenue from 2014 until 2018.

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### HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

**Majority Report:** Do pass. Signed by 15 members: Representatives Blake, Chair; Lytton, Vice Chair; Buys, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Chandler, Dunshee, Haigh, Hurst, Kretz, Orcutt, Pettigrew, Schmick, Stanford, Van De Wege and Warnick.

**Staff:** Jason Callahan (786-7117).

**Background:**

Every harvester of timber is required to pay an excise tax of 5 percent of the stumpage value of any trees that they harvest. The excise tax applies to timber harvested from both private and public lands.

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*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.*

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 (Department). Information that is required to be reported 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 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 each timber harvester.

The requirement to report sales information to the Department expires on July 1, 2014.

**Summary of Bill:**

The expiration date of the requirement that data about timber purchases be reported to the Department is extended from 2014 until 2018.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Moving the expiration date of the timber tax reporting requirements allows the Department of Revenue to continue using a tool which is very useful for setting accurate tax stumpage values.

(Opposed) None.

**Persons Testifying:** Representative Vick, prime sponsor; David Duvall, Department of Revenue; and Deborah McGee, Washington Forest Protection Association.

**Persons Signed In To Testify But Not Testifying:** None.