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HOUSE BILL 2980

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State of Washington                      65th Legislature                      2018 Regular Session

By Representatives Chandler, Springer, Nealey, and Taylor

Read first time 02/01/18. Referred to Committee on Finance.

1            AN ACT Relating to creating tax incentives for mushroom farming;  
2 adding a new section to chapter 82.08 RCW; adding a new section to  
3 chapter 82.12 RCW; creating a new section; providing expiration  
4 dates; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            NEW SECTION.    **Sec. 1.**    (1) This section is the tax preference  
7 performance statement for the tax preferences in this act. This  
8 performance statement is only intended to be used for subsequent  
9 evaluation of the tax preferences. It is not intended to create a  
10 private right of action by any party or to be used to determine  
11 eligibility for preferential tax treatment.

12            (2) The legislature categorizes these tax preferences as ones  
13 intended to improve industry competitiveness and to create or retain  
14 jobs, as indicated in RCW 82.32.808(2) (b) and (c).

15            (3) It is the legislature's specific public policy objective to  
16 maintain and grow Washington's agricultural workforce. It is the  
17 legislature's intent to create in this act tax exemptions for  
18 mushroom farming buildings or facilities in order to increase  
19 employment in mushroom farming, thereby helping the state's  
20 agricultural sector to maintain and grow its workforce.

1 (4) If a review finds that the average employment in mushroom  
2 farming in the state has increased as of January 1, 2027, compared to  
3 the average employment in mushroom farming on the effective date of  
4 this section, then the legislature intends to extend the expiration  
5 date of these tax preferences. The review required under this  
6 subsection must be completed in calendar year 2027.

7 (5) In order to obtain the data necessary to perform the review  
8 in subsection (4) of this section, the joint legislative audit and  
9 review committee may refer to occupational data statistics available  
10 from the United States bureau of labor statistics and from state  
11 agencies responsible for administering unemployment insurance.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08  
13 RCW to read as follows:

14 (1) The tax levied by RCW 82.08.020 does not apply to:

15 (a) Charges for labor and services rendered with respect to the  
16 constructing of new buildings or facilities made for the exclusive  
17 purposes of mushroom farming;

18 (b) Sales of tangible personal property, including but not  
19 limited to, construction materials, machinery, and equipment, that  
20 will be incorporated as an ingredient or component of such buildings  
21 or facilities during the course of the constructing; or

22 (c) Charges made for labor and services rendered in respect to  
23 installing, during the course of constructing such buildings,  
24 building fixtures not otherwise eligible for the exemption under RCW  
25 82.08.02565.

26 (2) The exemption is available only when the buyer provides the  
27 seller with an exemption certificate in a form and manner prescribed  
28 by the department. The seller must retain a copy of the certificate  
29 for the seller's files.

30 (3) No application is necessary for the tax exemption in this  
31 section. A person must file a complete annual tax performance report  
32 with the department under RCW 82.32.534.

33 (4) This section expires January 1, 2029.

34 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12  
35 RCW to read as follows:

36 (1) The provisions in this chapter do not apply to:

1 (a) Charges for labor and services rendered with respect to the  
2 constructing of new buildings or facilities made for the exclusive  
3 purposes of mushroom farming;

4 (b) Sales of tangible personal property, including but not  
5 limited to, construction materials, machinery, and equipment, that  
6 will be incorporated as an ingredient or component of such buildings  
7 or facilities during the course of the constructing; or

8 (c) Charges made for labor and services rendered in respect to  
9 installing, during the course of constructing such buildings,  
10 building fixtures not otherwise eligible for the exemption under RCW  
11 82.12.025661.

12 (2) This section expires January 1, 2029.

13 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
14 preservation of the public peace, health, or safety, or support of  
15 the state government and its existing public institutions, and takes  
16 effect immediately.

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