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**SENATE BILL 5259**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senators Shewmake, Chapman, and Nobles

Read first time 01/14/25. Referred to Committee on Ways & Means.

1 AN ACT Relating to creating a sales and use tax exemption for  
2 bait purchased for commercial fishing; adding a new section to  
3 chapter 82.08 RCW; adding a new section to chapter 82.12 RCW;  
4 creating a new section; providing an effective date; and providing  
5 expiration dates.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08  
8 RCW to read as follows:

9 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
10 bait for use in commercial fishing.

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

15 (3) In order to obtain an exemption certificate under this  
16 section, a qualifying business must submit an application to the  
17 department in the form and manner prescribed by the department. The  
18 exemption certificate applies on the date the application is received  
19 by the department, which is the date of issuance.

20 (4) For purposes of this section, the following definitions  
21 apply:

1 (a) "Bait" means any food or appetizing substance used by a  
2 commercial fisher while commercial fishing to attract a food fish or  
3 other commercially harvested species for commercial harvest.

4 (b) "Commercial fishing" means any business with a fishery  
5 license under chapter 77.65 RCW that catches food fish, as defined in  
6 RCW 77.08.022, and shellfish for commercial purposes. "Commercial  
7 fishing" does not include fishing charter companies engaged in the  
8 business of providing recreational fishing for a fee.

9 (5) This section expires January 1, 2037.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12  
11 RCW to read as follows:

12 (1) This chapter does not apply to the use of bait in commercial  
13 fishing.

14 (2) The definitions and conditions in section 1 of this act apply  
15 to this section.

16 (3) This section expires January 1, 2037.

17 NEW SECTION. **Sec. 3.** (1) This section is the tax preference  
18 performance statement for the tax preferences contained in sections 1  
19 and 2, chapter . . ., Laws of 2025 (sections 1 and 2 of this act).  
20 This performance statement is only intended to be used for subsequent  
21 evaluation of the tax preferences. It is not intended to create a  
22 private right of action by any party or to be used to determine  
23 eligibility for preferential tax treatment.

24 (2) The legislature categorizes this tax preference as one  
25 intended to improve industry competitiveness and reduce structural  
26 inefficiencies in the tax structure, as indicated in RCW 82.32.808(2)  
27 (b) and (d).

28 (3) It is the legislature's specific public policy objective to  
29 support the state's commercial fishing industry and provide equitable  
30 tax treatment for commercial fishing as that which is provided to  
31 similar industries.

32 (4) The joint legislative audit and review committee must include  
33 in its review:

34 (a) An analysis of the overall fiscal impact of the sales and use  
35 tax exemption for bait used in commercial fishing;

36 (b) A comparison of tax preferences for similar industries in  
37 this state, such as commercial farming and cultivating fish for sale;  
38 and

1           (c) Any other analysis the joint legislative audit and review  
2 committee deems necessary in determining whether the tax preferences  
3 in this act meet the public policy objectives under subsection (3) of  
4 this section.

5           (5) The joint legislative audit and review committee may access  
6 any data collected by the state to complete its review of the tax  
7 preferences under this act, including data collected by the  
8 department of fish and wildlife.

9           NEW SECTION.   **Sec. 4.** This act takes effect January 1, 2026.

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