Title 3 REVENUE AND FINANCE

Chapter 3.12 EXCISE TAX ON TIMBER HARVESTERS

3.12.020 Tax imposed.

There is imposed and shall be collected, on and after October 1, 1984, an excise tax on every person in the county of Walla Walla engaging in business as a harvester, as defined by Section 1 (4), Chapter 204, Laws of 1984 (hereafter the "State Act"). The tax shall be paid, collected and remitted to the Department of Revenue of the state of Washington at the time and in the manner prescribed by Section 10 of the State Act. (Ord. 178 §1, 1984)

Title 3 REVENUE AND FINANCE

Chapter 3.12 EXCISE TAX ON TIMBER HARVESTERS

- 3.12.010 State Act defined.
- 3.12.020 Tax imposed.
- 3.12.030 Amount of tax--Exemptions.
- 3.12.040 Administration and collection--Statutory authority.
- 3.12.050 Timber tax account.
- 3.12.060 Administration and collection--Contract with state.
- 3.12.070 Information and consent to inspection of records.
- 3.12.080 Severability.

AFFIDAVIT OF POSTING

IN THE MATTER OF A PUBLIC HEARING TO CONSIDER A AMENDING COUNTY CODE CHAPTER 3.12 AND COUNTY ORDINANCE RELATIVE TO EXTENDING THE CURRENT TIMBER EXCISE TAX TO INCLUDE TIMBER HARVESTED FROM PUBLIC LANDS

I hereby declare that on the <u>9th</u> day of <u>March</u>, 2005, I posted three notices, of which the attached is a true and correct copy, at the following locations:

- ✓ Bulletin Board at the County Courthouse
- ✓ Bulletin Board at City Hall
- ✓ Bulletin Board at Public Library

all in Walla Walla, Washington.

(signed) Conne R VIII

Connie R. Vinti

(title) Clerk of the Board of County Commissioners

Dated this <u>14th</u> day of <u>March</u>, 2005.

gried) Shaphy :

Gregory A. Tompkins

(title) Chairman, Board of County Commissioners

Walla Walla County, Washington 99362

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Walla Walla County Board of Commissioners will hold a public hearing to receive testimony to consider adoption of an ordinance amending Walla Walla County Code Chapter 3.12 – Excise Tax on Timber Harvesters - on Monday, March 21, 2005 at the hour of 9:30 a.m. in Commissioners' Chamber, Courthouse, 315 West Main, Walla Walla, Washington, or written testimony, which will be read into the record, may be sent to the Walla Walla County Board of Commissioners, P. O. Box 1506, Walla Walla, WA 99362. A summary of the proposed action follows: The proposed amendment will extend the current tax to include timber harvested from public lands, with the tax rate phased in over ten years and with the county tax credited against the current five percent state tax, to maintain the current rate of five percent, thereby not increasing the tax burden imposed on timber harvesters. Additional information may be obtained from the County Commissioners' office.

Dated this 7th day of March, 2005

Board of County Commissioners Walla Walla County, Washington

By: Connie R. Vinti, Clerk of the Board

FILED

March 26, 2004 - 4:36 p.m.

Secretary of State State of Washington

ENGROSSED SUBSTITUTE HOUSE BILL 2693

Passed Legislature - 2004 Regular Session

State of Washington

58th Legislature

2004 Regular Session

By House Committee on Finance (originally sponsored by Representatives Hinkle, McIntire, Cairnes, Fromhold and Holmquist)

READ FIRST TIME 02/06/04.

AN ACT Relating to the taxation of timber on publicly owned land; amending RCW 84.33.035, 84.33.051, 84.33.040, 84.33.078, and 79.15.100; adding a new section to chapter 84.33 RCW; creating a new section; and providing an effective date.

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

Sec. 1. RCW 84.33.035 and 2003 c 313 s 12 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Agricultural methods" means the cultivation of trees that are grown
- on land prepared by intensive cultivation and tilling, such as irrigating,
- plowing, or turning over the soil, and on which all unwanted plant growth is
- controlled continuously for the exclusive purpose of raising trees such as
- Christmas trees and short-rotation hardwoods.
- (2) "Average rate of inflation" means the annual rate of inflation as determined by the department averaged over the period of time as provided in RCW

84.33.220 (1) and (2). This rate shall be published in the state register by

the department not later than January 1st of each year for use in that assessment year.

(3) "Composite property tax rate" for a county means the total amount of property taxes levied upon forest lands by all taxing districts in the

other than the state, divided by the total assessed value of all forest land in

the county.

(4) "Forest land" is synonymous with "designated forest land" and means any

parcel of land that is twenty or more acres or multiple parcels of land that are

contiguous and total twenty or more acres that is or are devoted primarily to

growing and harvesting timber. Designated forest land means the land only and $% \left(1\right) =\left(1\right) +\left(1$

does not include a residential homesite. The term includes land used for $\ensuremath{\mathsf{T}}$

incidental uses that are compatible with the growing and harvesting of timber

but no more than ten percent of the land may be used for such incidental uses.

It also includes the land on which appurtenances necessary for the production,

preparation, or sale of the timber products exist in conjunction with land

producing these products.

(5) "Harvested" means the time when in the ordinary course of business the $\,$

quantity of timber by species is first definitely determined. The amount

harvested shall be determined by the Scribner Decimal C Scale or other prevalent

measuring practice adjusted to arrive at substantially equivalent measurements, $\ensuremath{\mathsf{e}}$

as approved by the department.

(6) "Harvester" means every person who from the person's own land or from $\ensuremath{\mathsf{T}}$

the land of another under a right or license granted by lease or contract,

either directly or by contracting with others for the necessary labor or

mechanical services, fells, cuts, or takes timber for sale or for commercial or

industrial use. When the United States or any instrumentality thereof, the

state, including its departments and institutions and political subdivisions,

or any municipal corporation therein so fells, cuts, or takes timber for sale

or for commercial or industrial use, the harvester is the first person other

than the United States or any instrumentality thereof, the state, including its

departments and institutions and political subdivisions, or any municipal

corporation therein, who acquires title to or a possessory interest in the

timber. The term "harvester" does not include persons performing under contract

the necessary labor or mechanical services for a harvester.

(7) "Harvesting and marketing costs" means only those costs directly

associated with harvesting the timber from the land and delivering it to the

buyer and may include the costs of disposing of logging residues. Any other

costs that are not directly and exclusively related to harvesting and \max

of the timber, such as costs of permanent roads or costs of reforesting the land $% \left(1\right) =\left(1\right) +\left(1\right) +\left$

following harvest, are not harvesting and marketing costs.

(8) "Incidental use" means a use of designated forest land that is compatible with its purpose for growing and harvesting timber. An incidental

use may include a gravel pit, a shed or land used to store machinery or equipment used in conjunction with the timber enterprise, and any other use that

does not interfere with or indicate that the forest land is no longer primarily

being used to grow and harvest timber.

(9) "Local government" means any city, town, county, water-sewer district,

public utility district, port district, irrigation district, flood control

district, or any other municipal corporation, quasi- municipal corporation, or

other political subdivision authorized to levy special benefit assessments for

sanitary or storm sewerage systems, domestic water supply or distribution

systems, or road construction or improvement purposes.

(10) "Local improvement district" means any local improvement district,

utility local improvement district, local utility district, road improvement

district, or any similar unit created by a local government for the purpose of

levying special benefit assessments against property specially benefited by

improvements relating to the districts.

(11) "Owner" means the party or parties having the fee interest in land,

except where land is subject to a real estate contract "owner" means the

contract vendee.

(12) "Primarily" or "primary use" means the existing use of the land is so

prevalent that when the characteristic use of the land is evaluated any other

use appears to be conflicting or nonrelated.

- (13) "Short-rotation hardwoods" means hardwood trees, such as but not
- limited to hybrid cottonwoods, cultivated by agricultural methods in growing
- cycles shorter than fifteen years.
- (14) "Small harvester" means every person who from his or her own land or
- from the land of another under a right or license granted by lease or contract,
- either directly or by contracting with others for the necessary labor or
- mechanical services, fells, cuts, or takes timber for sale or for commercial or
- industrial use in an amount not exceeding two million board feet in a calendar $\ensuremath{\mathsf{C}}$
- year. When the United States or any instrumentality thereof, the state,
- including its departments and institutions and political subdivisions, or any
- municipal corporation therein so fells, cuts, or takes timber for sale or for
- commercial or industrial use, not exceeding these amounts, the small harvester $% \left(1\right) =\left(1\right) +\left(1\right) +\left($
- is the first person other than the United States or any instrumentality thereof,
- the state, including its departments and institutions and political subdivisions, or any municipal corporation therein, who acquires title to or a
- possessory interest in the timber. Small harvester does not include persons
- performing under contract the necessary labor or mechanical services for a
- harvester, and it does not include the harvesters of Christmas trees or short-
- rotation hardwoods.
- (15) "Special benefit assessments" means special assessments levied or
- capable of being levied in any local improvement district or otherwise levied
- or capable of being levied by a local government to pay for all or part of the
- costs of a local improvement and which may be levied only for the special
- benefits to be realized by property by reason of that local improvement.
- (16) "Stumpage value of timber" means the appropriate stumpage value shown
- on tables prepared by the department under RCW 84.33.091, provided that for
- timber harvested from public land and sold under a competitive bidding process,
- stumpage value shall mean the actual amount paid to the seller in cash or other
- consideration. The stumpage value of timber from public land does not include
- harvesting and marketing costs if the timber from public land is harvested by,

or under contract for, the United States or any instrumentality of the States, the state, including its departments and institutions and political subdivisions, or any municipal corporation therein. Whenever payment stumpage includes considerations other than cash, the value shall be the fair market value of the other consideration. If the other consideration is permanent roads, the value of the roads shall be the appraised value as appraised by the seller. (17) "Timber" means forest trees, standing or down, on privately publicly owned land, and except as provided in RCW 84.33.170 includes Christmas trees and short-rotation hardwoods. (18) "Timber assessed value" for a county means (({- a value, calculated by the department before October 1st of each year, equal to -})) {+ the sum of: (a) T +}he total stumpage value of timber harvested from {+ publicly owned land in the county multiplied by the public timber ratio, plus; (b) the stumpage value of timber harvested from +} privately owned land in the county (({- during the most recent four calendar quarters for which the information is available -})) multiplied by (({- a -})) {+ the private timber +} ratio. The numerator of the {+ public timber +} ratio is the rate of tax imposed county under RCW 84.33.051 {+ on public timber harvests +} for the year of the calculation. {+ The numerator of the private timber ratio is the rate imposed by the county under RCW 84.33.051 on private timber harvests year of the calculation. +} The denominator of the {+ private timber +} ratio {+ and the public timber ratio +} is the composite property tax rate for the county for taxes due in the year of the calculation, expressed as a percentage of assessed value. {+ The department shall use the stumpage value of harvested during the most recent four calendar quarters for which the information is available. The department shall calculate the timber assessed value for each county before October 1st of each year. +} (19) "Timber assessed value" for a taxing district means the assessed value for the county multiplied by a ratio. The numerator of is the total assessed value of forest land in the taxing district. The denominator is the total assessed value of forest land in the county. As used

in this section, "assessed value of forest land" means the assessed value of

forest land for taxes due in the year the timber assessed value for the county

is calculated {+ plus an additional value for public forest land. The additional value for public forest land is the product of the number of acres

of public forest land that are available for timber harvesting determined under

section 6 of this act and the average assessed value per acre of private forest

land in the county +}.

- (20) "Timber management plan" means a plan prepared by a trained forester,
- or any other person with adequate knowledge of timber management practices,
- concerning the use of the land to grow and harvest timber. Such a plan includes:
 - (a) A legal description of the forest land;
- (b) A statement that the forest land is held in contiguous ownership of twenty or more acres and is primarily devoted to and used to grow and harvest
- timber;
- (c) A brief description of the timber on the forest land or, if the timber on the land has been harvested, the owner's plan to restock the land with

timber;

- (d) A statement about whether the forest land is also used to graze livestock;
- (e) A statement about whether the land has been used in compliance with the $\,$

restocking, forest management, fire protection, insect and disease control, and

forest debris provisions of Title 76 RCW; and

- (f) If the land has been recently harvested or supports a growth of brush and noncommercial type timber, a description of the owner's plan to restock the forest land within three years.
- Sec. 2. RCW 84.33.051 and 1984 c 204 s 8 are each amended to read as follows:
- (1) The legislative body of any county may impose a tax upon every person

engaging in the county in business as a harvester effective October 1, 1984.

The tax shall be equal to the stumpage value of timber harvested from privately

owned land multiplied by a rate of $(({- four -})) {+ 4 +} percent{+ ;}$ and equal

to the stumpage value of timber harvested from publicly owned land $\ensuremath{\mathsf{multiplied}}$

by the following rates:

- (a) For timber harvested January 1, 2005, through December 31, 2005, 1.2 percent; (b) For timber harvested January 1, 2006, through December 31, 2006, 1.5 percent; (c) For timber harvested January 1, 2007, through December 31, 2007, 1.8 percent; (d) For timber harvested January 1, 2008, through December 31, 2008, 2.1 percent; (e) For timber harvested January 1, 2009, through December 31, 2009, 2.4 percent; (f) For timber harvested January 1, 2010, through December 31, 2010, 2.7 percent; (g) For timber harvested January 1, 2011, through December 31, 2011, 3.1 percent; (h) For timber harvested January 1, 2012, through December 31, 2012, 3.4 percent; (i) For timber harvested January 1, 2013, through December 31, 2013, 3.7 percent; (j) For timber harvested January 1, 2014, and thereafter, 4.0 percent + }. (2) Before the effective date of any ordinance imposing a tax under this section, the county shall contract with the department of revenue for administration and collection of the tax. The tax collected by the department of revenue under this section shall be deposited by the department in the timber tax distribution account. Moneys in the account may be spent only for distributions to counties under RCW 84.33.081 and, after appropriation by the legislature, for the activities undertaken by the department of revenue relating to the collection and administration of the taxes imposed under this section and RCW 84.33.041. Appropriations are not required for distributions to counties under RCW 84.33.081.
- Sec. 3. RCW 84.33.040 and 1984 c 204 s 18 are each amended to read as follows:

 Timber (({- on privately owned land or federally owned land shall be -}))
 {+ is +} exempt from ad valorem taxation.
- Sec. 4. RCW 84.33.078 and 2003 c 313 s 11 are each amended to read as follows:

(({- When any timber standing on public land, other than federally land, is sold separate from the land, the department of natural resources or other governmental unit, as appropriate, shall state in its notice of the sale or prospectus that timber sold separate from the land is subject to property tax and that the amount of the tax paid may be used as a credit against any imposed with respect to business of harvesting timber from publicly owned land under RCW 84.33.041. -})) If the timber from public land is harvested by the state, its departments and institutions and political subdivisions, or municipal corporation therein, the governmental unit, or governmental units, that harvest or market the timber must provide the harvester purchasing timber with its harvesting and marketing costs as defined in RCW 84.33.035(7).

- Sec. 5. RCW 79.15.100 and 2003 c 334 s 334 are each amended to read as follows:
- (1) Valuable materials may be sold separately from the land as a "lump sum sale" or as a "scale sale."
- (a) "Lump sum sale" means any sale offered with a single total price applying to all the material conveyed.
- (b) "Scale sale" means any sale offered with per unit prices to be applied to the material conveyed.
 - (2) Payment for lump sum sales must be made as follows:
- (a) Lump sum sales under five thousand dollars appraised value require full payment on the day of sale.
- (b) Lump sum sales appraised at over five thousand dollars but under one
- hundred thousand dollars may require full payment on the day of sale.
- (c) Lump sum sales requiring full payment on the day of sale may be paid in cash or by certified check, cashier's check, bank draft, or money order, all

payable to the department.

- (3) Except for sales paid in full on the day of sale or sales with adequate bid bonds, an initial deposit not to exceed twenty-five percent of the actual or projected purchase price shall be made on the day of sale.
- (a) Sales with bid bonds are subject to the day of sale payment and replacement requirements prescribed by RCW 79.15.110.
- (b) The initial deposit must be maintained until all contract obligations

of the purchaser are satisfied. However, all or a portion of the initial

deposit may be applied as the final payment for the valuable materials in the

event the department determines that adequate security exists for the performance or fulfillment of any remaining obligations of the purchaser under

the sale contract.

(4) Advance payments or other adequate security acceptable to the department is required for valuable materials sold on a scale sale basis or a

lump sum sale not requiring full payment on the day of sale.

- (a) The purchaser must notify the department before any operation takes place on the sale site.
- (b) Upon notification as provided in (a) of this subsection, the department must require advanced payment or may allow purchasers to submit adequate security.
- (c) The amount of advanced payments or security must be determined by the department and must at all times equal or exceed the value of timber cut and other valuable materials processed or removed until paid for.
- (d) Security may be bank letters of credit, payment bonds, assignments of savings accounts, assignments of certificates of deposit, or other methods acceptable to the department as adequate security.
- (5) All valuable material must be removed from the sale area within the period specified in the contract.
- (a) The specified period may not exceed five years from date of purchase
- except for stone, sand, gravel, fill material, or building stone.

 (b) The specified period for stone, sand, gravel, fill material, or

building stone may not exceed thirty years.

(c) In all cases, any valuable material not removed from the land within

the period specified in the contract reverts to the state.

- (6) The department may extend a contract beyond the normal termination date specified in the sale contract as the time for removal of valuable materials when, in the department's judgment, the purchaser is acting in good faith and endeavoring to remove the materials. The extension is contingent upon payment of the fees specified below.
 - (a) The extended time for removal shall not exceed:
- (i) Forty years from date of purchase for stone, sand, gravel, fill

material, or building stone;

(ii) A total of ten years beyond the original termination date for all

other valuable materials.

(b) An extension fee fixed by the department will be charged based on the

estimated loss of income per acre to the state resulting from the granting of

the extension plus interest on the unpaid portion of the contract. The board

must periodically fix and adopt by rule the interest rate, which shall not be

less than six percent per annum.

- (c) The sale contract shall specify:
- (i) The applicable rate of interest as fixed at the day of sale and the $\ensuremath{\mathsf{C}}$

maximum extension payment; and

- (ii) The method for calculating the unpaid portion of the contract upon which interest is paid.
- (d) The minimum extension fee is fifty dollars per extension plus interest

on the unpaid portion of the contract.

(e) Moneys received for any extension must be credited to the same fund in

the state treasury as was credited the original purchase price of the valuable

material sold.

(7) The department may, in addition to any other securities, require a

performance security to guarantee compliance with all contract requirements.

The security is limited to those types listed in subsection (4) of this section.

The value of the performance security will, at all times, equal or exceed the

value of work performed or to be performed by the purchaser.

(8) (({- Any time that the department sells timber by contract that

includes a performance bond, the department must require the purchaser to

present proof of any and all property taxes paid prior to the release of the

performance bond. Within thirty days of payment of taxes due by the timber

purchaser, the county treasurer must provide certified evidence of property

taxes paid, clearly disclosing the sale contract number.

- (9) -})) The provisions of this section apply unless otherwise provided by statute.
- {+ NEW SECTION. +} Sec. 6. A new section is added to chapter 84.33 RCW to read as follows:
- (1) The department shall estimate the number of acres of public forest land that are available for timber harvesting. The department shall provide the

estimates for each county and for each taxing district within each county by

August 30th of each year except that the department may authorize a county, at

the county's option, to make its own estimates for public forest land in that $\ensuremath{\text{county}}$

county. In estimating the number of acres, the department shall use the best

available information to include public land comparable to private land that

qualifies as forest land for assessment purposes and exclude other public lands.

The department is not required to update the estimates unless improved information becomes available. The department of natural resources shall assist

the department with these determinations by providing any data and information

in the possession of the department of natural resources on public forest lands,

broken out by county and legal description, including a detailed map of each

county showing the location of the described lands. The data and information

shall be provided to the department by July 15th of each year. In addition, the

department may contract with other parties to provide data or assistance

necessary to implement this section.

(2) To accommodate the phase-in of the county forest excise tax on the

harvest of timber from public lands as provided in RCW 84.33.051, the department

shall adjust its actual estimates of the number of acres of public forest land

that are available for timber harvesting. The department shall reduce its

estimates for the following years by the following amounts:

- (a) For calendar year 2005, 70 percent;
- (b) For calendar year 2006, 62.5 percent;
- (c) For calendar year 2007, 55 percent;
- (d) For calendar year 2008, 47.5 percent;
- (e) For calendar year 2009, 40 percent;
- (f) For calendar year 2010, 32.5 percent;
- (g) For calendar year 2011, 22.5 percent;
- (h) For calendar year 2012, 15 percent;
- (i) For calendar year 2013, 7.5 percent; and
- (j) For calendar year 2014 and thereafter, the department shall not reduce

its estimates of the number of acres of public forest land that are available $% \left(\frac{1}{2}\right) =\frac{1}{2}\left(\frac{1}{2}\right)$

for timber harvesting.

{+ NEW SECTION. +} Sec. 7. Section 3 of this act applies to taxes levied for collection in 2005 and thereafter.

{+ NEW SECTION. +} Sec. 8. This act takes effect January 1, 2005.

Passed by the House February 17, 2004. Passed by the Senate March 10, 2004. Approved by the Governor March 26, 2004. Filed in Office of Secretary of State March 26, 2004. FINAL BILL REPORT ESHB 2693

C 177 L 04 Synopsis as Enacted

Brief Description: Modifying the taxation of timber on publicly owned land.

Sponsors: By House Committee on Finance (originally sponsored by Representatives
Hinkle, McIntire, Cairnes, Fromhold and Holmquist).

House Committee on Finance Senate Committee on Ways & Means

Background:

The timber excise tax is paid when timber is harvested. The state tax rate equals 5 percent of the stumpage value. The tax applies to timber harvested on public and private lands. A county tax equal to 4 percent applies to harvests on private

lands. A county tax equal to 4 percent applies to harvests on private lands and is

credited against the state tax. Therefore the effective rate on timber harvested from

private land is 1 percent for the state and 4 percent for counties. The effective rate for

timber harvested from public lands is 5 percent for the state. There is no county timber

excise tax on timber from public lands. The state tax is deposited in the State General

Fund. The local tax is distributed to property taxing districts within the county based on

the value of commercial forest land.

Standing timber located on private lands is exempt from property tax. Standing timber $\ensuremath{\mathsf{E}}$

located on public land is exempt from property tax until it is sold to a private person.

The assessment date for property tax is January 1. Timber located on public land

purchased by a timber harvester that is still standing on January 1 is subject to property

tax. The property tax is distributed to the taxing districts in which the timber is located.

The timber harvester's state timber excise tax liability is reduced by the amount of property taxes paid.

Summary:

Counties are authorized to impose a 4 percent timber excise tax on timber harvested from

public lands. The tax rate is phased-in over ten years starting at 1.2 percent. The county tax is credited against the state tax so that the timber harvester pays a total rate of 5 percent. The county timber excise tax is distributed to local taxing districts within the county.

Standing timber located on public land that is purchased by a private person is exempt from property tax. Purchasers of timber from the Department of Natural Resources are no longer required to provide proof of payment of property taxes before release of their performance bond.

Votes on Final Passage:

House930 Senate490

Effective: January 1, 2005



Jim Nagle/COUNTY/WALLA2 03/02/2005 05:06 PM

Greg Tompkins/COUNTY/WALLA2@WALLA2. To carey@hscis.net@WALLA2, Gregg Loney/COUNTY/WALLA2@WALLA2, Bill

CC

bcc

Subject Fw: Timber Excise Tax

History:

This message has been replied to.

Michelle Hagen at WACO contacted me. Curious why we haven't passed this yet. Supposedly we may lose it if it don't get this going. First I have heard of it. We can edit it if needed to fit. Please advise.

James L. Nagle Walla Walla County Prosecuting Attorney 240 West Alder, Suite 201 Walla Walla WA 99362-2807 Tel: 509/527-3232 Fax: 509/529-6720

---- Forwarded by Jim Nagle/COUNTY/WALLA2 on 03/02/2005 05:09 PM ----



"Michelle Hagen" <MHagen@wacounties.org> 03/02/2005 05:01 PM

To <jnagle@co.walla-walla.wa.us>

"Gordon Heimbigner"

cc <GHeimbigner@co.walla-walla.wa.us>, <assessor@co.walla-walla.wa.us>

Subject Timber Excise Tax

Jim ~ Here's the scoop:

Background: In 1984 there was a major rewrite of Timber Excise statutes. Among the changes was a reduction in the tax rate from 7.2% to 5%, along with wording that extended the tax to public lands.

Last year: In 2004 the legislature passed a law that would retain the same 5% tax rate for timber harvesters, but would shift 4% of these receipts from the State General Fund to local schools and governments over a period of years.

Please let me know if you need more info or have any questions. Thanks!

Michelle Hagen Washington Association of County Officials 206 Tenth Avenue SE Olympia, Washington 98501 Phone: 360-753-7319

Fax: 360-664-2812







MODEL FOREST EXCISE TAX ORDINANCE3.doc 2004 Timber Excise COUNTY AGREEMENT1.doc 2004 Timber Excise Bill.doc



2004 Timber Excise BILL REPORT.doc

ORDINANCE NO. __178

AN ORDINANCE imposing an excise tax upon persons engaging in business as harvesters of timber, as provided in Chapter 204, Laws of 1984, and authorizing the county to enter into a contract with the Department of Revenue.

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF WALLA WALLA

Section 1. There is hereby imposed and shall be collected, on and after October 1, 1984, an excise tax on every person in the County of Walla Walla engaging in business as a harvester as defined by section 1(4), Chapter 204, Laws of 1984 (hereafter the "State Act"). The tax shall be paid, collected and remitted to the Department of Revenue of the State of Washington at the time and in the manner prescribed by Section 10 of the State Act.

Section 2. The tax shall be equal to the stumpage value of the timber, as defined in section 1(5) of the State Act, harvested from privately owned land within the county, multiplied by a rate of four percent. Any harvester, as defined in section 1(4) of the State Act, incurring less than ten dollars tax liability in any calendar quarter, is excused from the payment of the tax imposed by section 1, but may be required by the Department of Revenue to file a return even though no tax may be due.

Section 3. The administration and collection of the tax imposed by this ordinance shall be in accordance with the provisions of the State Act and all sections of chapter 82.32 RCW (as now existing or hereafter amended) except RCW 82.32.045 and 82.32.270 shall apply with reference to the taxes imposed under this ordinance.

Section 4. There is hereby created a county timber tax account for deposit of moneys distributed to the county of Walla Walla, as provided by section 9(1) and section 12(3) of the State Act.

Section 5. The Board of Commissioners is authorized to contract with the Department of Revenue (prior to the effective date of this ordinance) for the administration and collection of the tax imposed by section 1 and to provide in such agreement for payment of the costs of collection and administration incurred by the Department of Revenue as directed in section 9 of the State Act. The prosecuting attorney of the county shall first approve the form and content of said contract.

Section 6. The county hereby agrees to give to the Department of Revenue such facts and information and to permit the Department to inspect its records in connection with the imposition, collecting and administration of the tax imposed by section 1, as may be necessary to permit the county to obtain facts and information from, and inspect the records of, the Department of Revenue to facilitate the administration of the tax and insure the correct distribution of its proceeds as provided by the State Act.

Section 7. For purposes of this ordinance "State Act" shall mean Chapter 204, Laws of 1984, as it now exists or is hereafter amended.

Section 8. If any provision of this ordinance, or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

Section 9. This ordinance shall take effect October 1, 1984.

PASSED this 151 day of October, 1984.

BOARD OF COUNTY COMMISSIONERS OF WALLA WALLA COUNTY, WASHINGTON

Farmon 7. Johns

Walter C.C

Commissioner

Dough Jelensen Commissioner

ATTEST:

Clerk of the Board

of County Commissioners

INWALLA WALLA CO. WASH.

VCO Commissiones

OCT 2 9 26 AM '84

C. LYHN SMITH AUDITOR



STATE OF WASHINGTON

DEPARTMENT OF REVENUE

Olympia, Washington 98504 MS-AX-02 October 19, 1984

OCT 22.84

Mr. Harmon F. Johnson Chairman, Board of Commissioners County of Walla Walla P.O. Box 1506 Walla Walla, Washington 99362

Dear Mr. Johnson:

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Enclosed is a copy of the signed agreement between Walla Walla County and the Department of Revenue for the collection and distribution of timber tax.

Sincerely,

DEPARTMENT OF REVENUE STATE OF WASHINGTON Forest Tax Section

Jean Wendler

Administrative Assistant

JW:dw

enc.

AGREEMENT BETWEEN THE STATE OF WASHINGTON, DEPARTMENT OF REVENUE, AND THE COUNTY OF WALLA WALLA, WASHINGTON REGARDING ADMINISTRATION AND COLLECTION OF EXCISE TAX ON PERSONS ENGAGING IN BUSINESS AS HARVESTERS OF TIMBER.

THIS AGREEMENT, made this 1st day of XXXXX, 1984, by and between the State of Washington, Department of Revenue (hereafter the "Department") and the above designated county (hereafter the "County"), WITNESSETH:

WHEREAS, the legislature of the State of Washington has by chapter 204, Laws of 1984 (the "Act") authorized counties to impose an excise tax (the "Tax") on persons engaging in business as harvesters of timber, and

WHEREAS, section 8(2) of the Act provides that a county imposing the Tax by ordinance shall, prior to the effective date thereof, contract with the Department for the administration and collection of the Tax, and

WHEREAS, the County has by ordinance, a copy of which is attached hereto, imposed the Tax commencing on October 1, 1984,

NOW THEREFORE, to satisfy the requirements of section 8(2), chapter 204, Laws of 1984, the parties agree as follows:

- 1. The Department shall exclusively perform those functions necessary for the administration and collection of the Tax other than criminal prosecutions.
- 2. Taxes collected shall be deposited by the Department in the timber tax distribution account under the custody of the State Treasurer. There shall be retained from distributions to the County under the Act the County's proportionate share of appropriations for collection and administration activities performed under the authority of the Act and the provisions of this agreement.

The proportionate share of appropriations of the County shall be determined on a quarterly basis. The proportionate share of appropriations of the County means the product of the excise tax collected on behalf of the County under the Act for the quarter, multiplied by a fraction. The numerator is the total appropriation referred to in section 8 of the Act for the same quarter. The denominator is the total timber excise tax collected statewide under the Act for the same quarter.

The proportionate share of appropriations of the state shall be determined in a like manner and means the product of the timber excise tax collected on behalf of the state for the quarter under the Act, multiplied by the above fraction.

- 3. In carrying out its administration and collection responsibilities the Department shall apply the provisions of chapter 82.32 RCW, as now exist or are hereafter amended (except RCW 82.32.045 and 82.32.270) as implemented by the Department's rules promulgated pursuant to RCW 82.32.300, as the same exist now or may hereafter be amended. The Department shall adopt additional rules in accordance with the State Administrative Procedure Act (chapter 34.04 RCW) to facilitate the administration and collection of the county's excise tax as it may deem necessary or desirable.
- 4. The Department shall administer and collect the county's in a manner consistent to the fullest extent possible with the administration and collection of the excise tax imposed by the state under the Act.
- 5. The County shall have the right from time to time to examine the records of the Department as they concern taxpayers subject to the county ordinance.
- 6. All refunds and credits of the Tax made by the Department shall be charged against future collections of such tax. The Department shall, by advice to the State Treasurer and notice to the affected counties, require redistribution of any tax, penalty and interest distributed to a county other than the county entitled thereto.
- 7. This agreement shall take effect on the <u>lst</u> day of <u>October</u>, 1984, and shall thereafter be automatically renewed on December 31 of each year unless one of the parties gives written notice of termination on or before November 1 of each such year.

IN WITNESS WHEREOF the parties by their officers, duly authorized for the purpose, affix their signatures the day, date and year first above written.

| STATE OF WASHINGTON | |
|-----------------------|--|
| DEPARTMENT OF REVENUE | |
| By Agraed Burrero | |

Approved as to Form:

Mauun Hart
Assistant Attorney General

Approved as to Form:

By James

[County]

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COUNTY OF WALLA WALLA

STATE OF WASHINGTON
OFFICE OF COMMISSIONER COURT

Ocrober 8, 1984

Washington State Department of Revenue General Administration Bldg. Olympia, WA 98504

Dear Sirs:

Enclosed is signed copy of Ordinance No. 178, Walla Walla County, for your files.

Also enclosed are two copies of "Agreement Between the State of Washington, Department of Revenue, and the County of Walla Walla, Washington, regarding Administration and Collection of Excise Tax on Persons engaging in Business as Harvesters of Timber", dated October 1, 1984, and signed by Harmon F. Johnson for said county and by Arthur Eggers, Prosecuting Attorney.

Please have one copy of agreement signed and returned to this office, P. O. Box 1506, Walla Walla, Washington 99362.

Sincerely,

District No. 1

Harmon F. Johnson Chairman, Board of Commissioners

P.O. BOX 1506 • WALLA WALLA, WASHINGTON 99362 • PHONE (509) 525-6161

District No

BOARD OF COUNTY COMMISSIONERS WALLA WALLA COUNTY, WASHINGTON

In the Matter of Setting a Hearing Date for Adopting an Ordinance Imposing an Excise Tax on Harvesters of Timber

RESOLUTION NO.

64 33k

BE IT RESOLVED by this Board of Walla Walla County Commissioners that a hearing date of October 1, 1984, at the hour of 10:00~A.M., be set for the adoption of an ordinance imposing an excise tax upon harvesters of timber.

Done this 17th day of September, 1984

Attest: Erlys Find

Chairman

Commissioner

Commissioner

Constituting the Board of County Commissioners of Walla Walla County, Washington.

AGREEMENT BETWEEN THE STATE OF WASHINGTON, DEPARTMENT OF REVENUE, AND THE COUNTY OF WALLA WALLA, WASHINGTON REGARDING ADMINISTRATION AND COLLECTION OF EXCISE TAX ON PERSONS ENGAGING IN BUSINESS AS HARVESTERS OF TIMBER.

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WHEREAS, section 8(2) of the Act provides that a county imposing the Tax by ordinance shall, prior to the effective date thereof, contract with the Department for the administration and collection of the Tax, and

WHEREAS, the County has by ordinance, a copy of which is attached hereto, imposed the Tax commencing on October 1, 1984,

NOW THEREFORE, to satisfy the requirements of section 8(2), chapter 204, Laws of 1984, the parties agree as follows:

- 1. The Department shall exclusively perform those functions necessary for the administration and collection of the Tax other than criminal prosecutions.
- 2. Taxes collected shall be deposited by the Department in the timber tax distribution account under the custody of the State Treasurer. There shall be retained from distributions to the County under the Act the County's proportionate share of appropriations for collection and administration activities performed under the authority of the Act and the provisions of this agreement.

The proportionate share of appropriations of the County shall be determined on a quarterly basis. The proportionate share of appropriations of the County means the product of the excise tax collected on behalf of the County under the Act for the quarter, multiplied by a fraction. The numerator is the total appropriation referred to in section 8 of the Act for the same quarter. The denominator is the total timber excise tax collected statewide under the Act for the same quarter.

The proportionate share of appropriations of the state shall be determined in a like manner and means the product of the timber excise tax collected on behalf of the state for the quarter under the Act, multiplied by the above fraction.

- In carrying out its administration and collection responsibilities the Department shall apply the provisions of chapter 82.32 RCW, as now exist or are hereafter amended (except RCW 82.32.045 and 82.32.270) as implemented by the Department's rules promulgated pursuant to RCW 82.32.300, as the same exist now or may hereafter be amended. The Department shall adopt additional rules in accordance with the State Administrative Procedure Act (chapter 34.04 RCW) to facilitate the administration and collection of the county's excise tax as it may deem necessary or desirable.
- The Department shall administer and collect the county's Tax in a manner consistent to the fullest extent possible with the administration and collection of the excise tax imposed by the state under the Act.
- The County shall have the right from time to time to examine the records of the Department as they concern taxpayers subject to the county ordinance.
- All refunds and credits of the Tax made by the Department shall be charged against future collections of such tax. The Department shall, by advice to the State Treasurer and notice to the affected counties, require redistribution of any tax, penalty and interest distributed to a county other than the county entitled thereto.
- This agreement shall take effect on the October , 1984, and shall thereafter be automatically renewed on December 31 of each year unless one of the parties gives written notice of termination on or before November 1 of each such year.

IN WITNESS WHEREOF the parties by their officers, duly authorized for the purpose, affix their signatures the day, date and year first above written.

> STATE OF WASHINGTON DEPARTMENT OF REVENUE

| By | |
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| Director | |

Approved as to Form:

Assistant Attorney General

Prosecuting Attorney

[County]

NOTICE OF HEARING NOTICE IS HEREBY GIVEN that the Board of County Com-missioners of Walla Walla County, Washington, will hold a public hearing at 10:00 A.M. Monday, October 1, 1984, in the office of said Board of Commissioners in Walla Walla, Washington, on the following proposed ordinance:

PROPOSED ORDINANCE
ORDINANCE NO.

AN ORDINANCE imposing an

AN ORDINANCE imposing an excise tax upon persons engaging in business as harvesters of timber, as provided in chapter 204, Laws of 1984, and authorizing the county to enter into a contract with the Department of Revenue.

BE IT ORDAINED BY THE BOARD OF COUNTY COM-MISSIONERS OF WALLA WALLA

COUNTY:

Section 1. There is hereby imposed and shall be collected, on and after October 1, 1984, an excise tax on every person in the County of Walla Walla engaging in business as a harvester as defined by section as a harvester as defined by section 1 (4), Chapter 284, Laws of 1984 (hereafter the "State Act"). The tax shall be paid, collected and remitted to the Department of Revenue of the State of Washington at the time and in the manner. at the time and in the manner prescribed by section 10 of the State.

Section 2. The tax shall be equal to the stumpage value of the timber, as defined in section 1 (5) of the State Act, harvested from privately owned land within the county, multiplied by a rate of four percent. Any harvester, as defined in section 1 (4) of the State Act, incurring less than ten deli incurring less than ten dollars tax liability in any calendar quarter, is excused from the payment of the tax imposed by section 1, but may be required by the Department of Revenue to file a return even though no tax may be due.

Section 3. The administration and collection of the tax imposed by this ordinance, shall be in accordance.

ordinance shall be in accordance with the provisions of the State Act and all sections of chapter 82.32 RCW (as now existing or hereafter amended) except RCW 82.32.045 and 82.32.270 shall apply with reference to the taxes imposed

under this ordinance.

Section 4. There is hereby created a county timber tax account for deposit of moneys distributed to the county of Walla Walla, as provided by section 9 (1) and section 12 (3) of the State Act.

Section 5. The Board of Commissioners is authorized to contract with the Department of Revenue (prior to the effective date of this ordinance) for the administration and collection of the tax imposed by section 1 and to provide in such agreement for payment of the costs of collection and administration incurred by the Department of Revenue as directed in section 9 of the State Act. The prosecuting attorney of the county shall first approve the form and content of said contract.

Section 6. The county hereby agrees to give to the Department of Revenue such facts and information and to permit the Department to inspect its records in connection with the imposition, collecting and administration of the tax imposed by section 1, as may be necessary to permit the county to obtain facts and information from, and inspect the records of the Department

Proof of Publication

Case No. -

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| STATE OF WASHINGTON, ss. |
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| County of Walla Walla |
| Thomas C. Baker |
| deposes and says: That he is the Publisher of The Times, a weekly newspaper which has been established, published in the English language, and circulated continuously as a weekly newspaper in the City of Waitsburg, and in said County and State, and of general circulation in said County for more than six (6) months prior to the date of the first publication of the Notice hereto attached. |
| That said newspaper is the official newspaper of the City of Waitsurg and of the County of Walla Walla. |
| That The Times was, on the 14th day of June, 1955, approved as a legal newspaper by the Superior Court of said Walla Walla County, and that the annexed is a true copy of a |
| Notice of Hearing proposed ordinance |
| as it appeared in the regular and entire issue of said newspaper itself and not in a supplement thereof for a period of <u>one</u> consecutive weeks, commencing on the <u>20</u> day of <u>September</u> , 19 <u>81</u> and ending on the day of, 19 and that said newspaper was regularly distributed to its subscribers during all of this period. |
| That the full amount of \$ $\frac{16.20}{0.00}$ has been paid in full, at the rate of \$ 2.80 per column inch. |
| Thomas Challe Publisher |
| Subscribed and sworn to before me this |
| |
| Bettie S. Chave |
| Notary Public in and for the State of Washington, |

Residing at Waitsburg, Washington 99361