

# SENATE BILL REPORT

## SB 6344

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As of January 24, 1996

**Title:** An act relating to business and occupation tax on the handling of hay, alfalfa, or seed.

**Brief Description:** Lowering the business and occupation tax on persons conditioning seed for sale or use in planting.

**Sponsors:** Senators Hochstatter and Rasmussen.

**Brief History:**

**Committee Activity:** Agriculture & Agricultural Trade & Development: 1/25/96.

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### SENATE COMMITTEE ON AGRICULTURE & AGRICULTURAL TRADE & DEVELOPMENT

**Staff:** Vic Moon (786-7469)

**Background:** Six years ago the Legislature addressed the process of conditioning seed for sale or use in planting. At that time, it was decided that conditioning of seed was not an activity that would constitute a general wholesale rate tax. There has been some confusion in the Department of Revenue concerning the rate of the tax imposed on seed conditioning. The tax statutory authority needs to be clarified.

**Summary of Bill:** Conditioning seed for sale or use in planting must be taxed at a sales tax rate multiplied by the rate of 0.011 percent.

**Appropriation:** None.

**Fiscal Note:** Requested on January 15, 1996.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.