

FINAL BILL REPORT

E2SHB 1328

C 170 L 98

Synopsis as Enacted

Brief Description: Revising the business and occupation tax on the handling of hay, alfalfa, and seed.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Schoesler, Chandler, Sheahan, Mulliken, Bush, McMorris and Mastin; by request of Department of Revenue).

House Committee on Agriculture & Ecology

House Committee on Finance

Senate Committee on Ways & Means

Background: Effective July 1, 1998, the business and occupation (B&O) tax rate for manufacturing and selling at wholesale is 0.484 percent; for retailing, 0.471 percent; and for general business service activities, 1.5 percent. However, wholesale sales of a number of agricultural commodities are exempt from the B&O tax beginning July 1, 1998.

Summary: The B&O tax rate is eliminated for wholesale sales to farmers of seed conditioned for use in planting and not packaged for retail sale, or for conditioning seed for planting owned by others.

The "seed" referred to is agricultural seed and seed potatoes but not flower seeds, vegetable seeds, or seeds or propagative portions of plants used to grow ornamental flowers or used to grow any type of bush, moss, fern, shrub, or tree.

Votes on Final Passage:

House 97 0

Senate 36 4

Effective: July 1, 1998