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HOUSE BILL 2278

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State of Washington

61st Legislature

2009 Regular Session

By Representatives Pettigrew, Chandler, Blake, Johnson, Bailey, and Schmick

Read first time 02/23/09. Referred to Committee on Finance.

1 AN ACT Relating to the sales and use tax exemption for livestock  
2 nutrient management equipment and facilities; and amending RCW  
3 82.08.890 and 82.12.890.

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

5 **Sec. 1.** RCW 82.08.890 and 2006 c 151 s 2 are each amended to read  
6 as follows:

7 (1) The tax levied by RCW 82.08.020 does not apply to sales to  
8 eligible persons of: (a) Services rendered in respect to operating,  
9 repairing, cleaning, altering, or improving of livestock nutrient  
10 management ((equipment and)) facilities((,)); (b) services rendered in  
11 respect to operating, repairing, cleaning, altering, or improving of  
12 livestock nutrient management equipment; (c) livestock nutrient  
13 management equipment, including repair or replacement parts; or ((to  
14 sales of)) (d) tangible personal property that becomes an ingredient or  
15 component of ((the equipment and)) livestock nutrient management  
16 facilities, including repair or replacement parts.

17 (2)(a) To be eligible, the equipment and facilities must be used  
18 ((exclusively)) at least ninety percent of the time for activities  
19 necessary to maintain a livestock nutrient management plan.

1 (b) The exemption applies to sales made after the livestock  
2 nutrient management plan is: (i) Certified under chapter 90.64 RCW;  
3 (ii) approved as part of the permit issued under chapter 90.48 RCW; or  
4 (iii) approved as required under subsection (4)(c)(iii) of this  
5 section.

6 (3)(a) The department of revenue must provide an exemption  
7 certificate to an eligible person upon application by that person. The  
8 department of agriculture must provide a list of eligible persons, as  
9 defined in subsection (4)(c)(i) and (ii) of this section, to the  
10 department of revenue. Conservation districts must maintain lists of  
11 eligible persons as defined in subsection (4)(c)(iii) of this section  
12 to allow the department of revenue to verify eligibility. The  
13 application must be in a form and manner prescribed by the department  
14 and must contain information regarding the location of the dairy or  
15 animal feeding operation and other information the department may  
16 require.

17 (b) A person claiming an exemption under this section must keep  
18 records necessary for the department to verify eligibility under this  
19 section. The exemption is available only when the buyer provides the  
20 seller with an exemption certificate in a form and manner prescribed by  
21 the department. The seller must retain a copy of the certificate for  
22 the seller's files.

23 (4) The definitions in this subsection apply to this section and  
24 RCW 82.12.890 unless the context clearly requires otherwise:

25 (a) "Animal feeding operation" means a lot or facility, other than  
26 an aquatic animal production facility, where the following conditions  
27 are met:

28 (i) Animals, other than aquatic animals, have been, are, or will be  
29 stabled or confined and fed or maintained for a total of forty-five  
30 days or more in any twelve-month period; and

31 (ii) Crops, vegetation, forage growth, or postharvest residues are  
32 not sustained in the normal growing season over any portion of the lot  
33 or facility.

34 (b) "Conservation district" means a subdivision of state government  
35 organized under chapter 89.08 RCW.

36 (c) "Eligible person" means a person (i) licensed to produce milk  
37 under chapter 15.36 RCW who has a certified dairy nutrient management  
38 plan, as required by chapter 90.64 RCW; (ii) who owns an animal feeding

1 operation and has a permit issued under chapter 90.48 RCW; or (iii) who  
2 owns an animal feeding operation and has a nutrient management plan  
3 approved by a conservation district as meeting natural resource  
4 conservation service field office technical guide standards.

5 (d) "Livestock nutrient management (~~equipment and~~) facilities"  
6 means (~~machinery, equipment, and~~) structures used in the handling and  
7 treatment of livestock manure, such as (~~aerators, agitators, alley~~  
8 ~~scrapers, augers,~~) dams, (~~gutter cleaners, loaders,~~) lagoons,  
9 (~~pipes, pumps, separators,~~) storage sheds, and tanks. The term also  
10 includes tangible personal property that becomes an ingredient or  
11 component of the (~~equipment and~~) facilities, (~~including~~) such as  
12 aerators, agitators, pipes, pumps, and separators, and includes repair  
13 and replacement parts.

14 (e) "Livestock nutrient management equipment" means tangible  
15 personal property used in the handling or treatment of livestock manure  
16 such as alley scrapers, augers, gutter cleaners, tractors, and loaders.

17 (f) "Permit" means either a state waste discharge permit or a  
18 national pollutant discharge elimination system permit, or both.

19 **Sec. 2.** RCW 82.12.890 and 2006 c 151 s 3 are each amended to read  
20 as follows:

21 (1) The provisions of this chapter do not apply with respect to the  
22 use by an eligible person of (~~tangible personal property that becomes~~  
23 ~~an ingredient or component of livestock nutrient management equipment~~  
24 ~~and facilities, as defined in RCW 82.08.890, or to labor and services~~  
25 ~~rendered in respect to repairing, cleaning, altering, or improving~~  
26 ~~eligible tangible personal property)): (a) Services rendered in  
27 respect to operating, repairing, cleaning, altering, or improving of  
28 livestock nutrient management facilities; (b) services rendered in  
29 respect to operating, repairing, cleaning, altering, or improving of  
30 livestock nutrient management equipment; (c) livestock nutrient  
31 management equipment, including repair or replacement parts; or (d)  
32 tangible personal property that becomes an ingredient or component of  
33 livestock nutrient management facilities, including repair or  
34 replacement parts.~~

35 (2)(a) To be eligible, the equipment and facilities must be used  
36 (~~exclusively~~) at least ninety percent of the time for activities  
37 necessary to maintain a livestock nutrient management plan.

1 (b) The exemption applies to the use of tangible personal property  
2 or labor and services made after the livestock nutrient management plan  
3 is: (i) Certified under chapter 90.64 RCW; (ii) approved as part of  
4 the permit issued under chapter 90.48 RCW; or (iii) approved as  
5 required under RCW 82.08.890(4)(c)(iii).

6 (3) The exemption certificate and recordkeeping requirements of RCW  
7 82.08.890 apply to this section. The definitions in RCW 82.08.890  
8 apply to this section.

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