
SENATE BILL 5059

State of Washington

60th Legislature

2007 Regular Session

By Senators Honeyford and Schoesler

Read first time 01/09/2007. Referred to Committee on Agriculture & Rural Economic Development.

1 AN ACT Relating to the business and occupation tax rate for custom
2 farming services; adding a new section to chapter 82.04 RCW; providing
3 an effective date; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 (1) Upon every person engaging within this state in the business of
8 performing custom farming services; as to such persons, the amount of
9 the tax must be equal to the gross income of the business multiplied by
10 the rate of 0.2904 percent.

11 (2) For the purposes of this section:

12 (a) "Custom farming services" means the performance of specific
13 farming operations through the use of any farm machinery or equipment,
14 farm implement, or draft animal, together with an operator, when: (i)
15 The specific farming operation consists of activities directly related
16 to the growing, raising, or producing of any agricultural product to be
17 sold or consumed by a farmer; and (ii) the performance of the specific
18 farming operation is for, and under a contract with, or the direction
19 or supervision of, a farmer. "Custom farming services" does not

1 include the custom application of fertilizers, chemicals, or
2 biologicals unless the custom applicator is related to the person for
3 whom the service is rendered.

4 (b) "Specific farming operation" includes specific planting,
5 cultivating, or harvesting activities, or similar specific farming
6 operations. The term does not include veterinary services as defined
7 in RCW 18.92.010; farrier, boarding, training, or appraisal services;
8 artificial insemination or stud services, agricultural consulting
9 services; packing or processing of agricultural products; or pumping or
10 other waste disposal services.

11 (c) "Related" means having any of the relationships specifically
12 described in section 267(b) (1) through (13) of the internal revenue
13 code of 1986 (26 U.S.C. Sec. 267(b) (1) through (13)), as amended or
14 renumbered as of January 1, 2007.

15 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 July 1, 2007.

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