



Timber Excise Tax



84.33.075 - Nonprofit youth organizations

Description Timber harvested on lands owned by a nonprofit, social service organization is exempt from timber tax if the land is exempt from property tax under RCW 84.36.030 and income from the timber sales promotes, operates, and maintains youth programs.

The exemption is only available if the youth programs are available to all youth, regardless of race, color, national origin, ancestry or religion.

Purpose Reduces the cost of operating youth programs by nonprofit organizations.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	D	D	D	D
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	D	D	D
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Fewer than three taxpayers benefit from this exemption, so the revenue impact may not be disclosed.
 - July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
 - Growth will be zero.
 - Impact is minimal.
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Data Sources

Department of Revenue data

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1980
Primary Beneficiaries:	Youth organizations
Taxpayer Count:	Fewer than three
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2011

84.33.0775 - Credit, salmon habitat

Description	Timber harvested on land that is subject to enhanced aquatic resource requirements as determined by the Department of Natural Resources, such as riparian zones (defined as the interface between land and a river or stream), wetlands, or steep or unstable slopes receives a tax credit against the state portion of the timber excise tax. The credit effectively lowers the total timber excise tax rate from 5.0 percent to 4.2 percent.															
Purpose	Helps offset the costs to timber owners associated with setting aside larger timber buffers and other forest management practices intended to protect the environment, including salmon habitat.															
Taxpayer savings	(\$ in millions): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$7.531</td><td>\$7.531</td><td>\$7.531</td><td>\$7.531</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$7.531	\$7.531	\$7.531	\$7.531	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$7.531	\$7.531	\$7.531	\$7.531												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Repeal of exemption	Repealing this exemption would increase revenues.															
Potential revenue gains from full repeal	(\$ in millions): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$6.903</td><td>\$7.531</td><td>\$7.531</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$6.903	\$7.531	\$7.531	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$6.903	\$7.531	\$7.531												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Assumptions	<ul style="list-style-type: none">- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.- Growth will be zero.															
Data Sources	Department of Revenue excise tax return data															
Additional Information	<table border="1"><thead><tr><th colspan="2">Additional Information</th></tr></thead><tbody><tr><td>Category:</td><td>Business</td></tr><tr><td>Year Enacted:</td><td>1999</td></tr><tr><td>Primary Beneficiaries:</td><td>Timber owners</td></tr><tr><td>Taxpayer Count:</td><td>2,622</td></tr><tr><td>Program Inconsistency:</td><td>None evident</td></tr><tr><td>JLARC Review:</td><td>JLARC has scheduled to review in 2015</td></tr></tbody></table>	Additional Information		Category:	Business	Year Enacted:	1999	Primary Beneficiaries:	Timber owners	Taxpayer Count:	2,622	Program Inconsistency:	None evident	JLARC Review:	JLARC has scheduled to review in 2015	
Additional Information																
Category:	Business															
Year Enacted:	1999															
Primary Beneficiaries:	Timber owners															
Taxpayer Count:	2,622															
Program Inconsistency:	None evident															
JLARC Review:	JLARC has scheduled to review in 2015															

84.33.0776 - Timber harvest excise tax agreement - Quinault Nation

Description	The timber excise tax on timber harvested on fee lands within the boundaries of the Quinault reservation may be exempt from state and county timber tax. The Governor may enter into an agreement with the Quinault Nation. The agreement must provide that the tribal tax will be credited against the state and county taxes.															
Purpose	To enable the Quinault Nation to benefit from the timber excise tax.															
Taxpayer savings	(\$ in millions): <table><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Repeal of exemption	Repealing this exemption would increase revenues.															
Potential revenue gains from full repeal	(\$ in millions): <table><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Assumptions	None.															
Data Sources	Department staff in the Special Programs section															
Additional Information	<table><thead><tr><th colspan="2">Additional Information</th></tr></thead><tbody><tr><td>Category:</td><td>Government</td></tr><tr><td>Year Enacted:</td><td>2007</td></tr><tr><td>Primary Beneficiaries:</td><td>The Quinault Nation</td></tr><tr><td>Taxpayer Count:</td><td>0</td></tr><tr><td>Program Inconsistency:</td><td>None evident</td></tr><tr><td>JLARC Review:</td><td>JLARC has scheduled to review in 2018</td></tr></tbody></table>	Additional Information		Category:	Government	Year Enacted:	2007	Primary Beneficiaries:	The Quinault Nation	Taxpayer Count:	0	Program Inconsistency:	None evident	JLARC Review:	JLARC has scheduled to review in 2018	
Additional Information																
Category:	Government															
Year Enacted:	2007															
Primary Beneficiaries:	The Quinault Nation															
Taxpayer Count:	0															
Program Inconsistency:	None evident															
JLARC Review:	JLARC has scheduled to review in 2018															

84.33.086 - \$50 minimum timber tax

Description	Any timber harvester incurring less than \$50 in timber excise tax liability per quarter is exempt from the timber excise tax.															
Purpose	To support smaller harvesters and to reduce administrative costs for harvesters and the Department.															
Taxpayer savings	(\$ in millions): <table><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.001</td><td>\$0.001</td><td>\$0.001</td><td>\$0.001</td></tr><tr><td>Local Taxes</td><td>\$0.004</td><td>\$0.004</td><td>\$0.004</td><td>\$0.004</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.001	\$0.001	\$0.001	\$0.001	Local Taxes	\$0.004	\$0.004	\$0.004	\$0.004
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.001	\$0.001	\$0.001	\$0.001												
Local Taxes	\$0.004	\$0.004	\$0.004	\$0.004												
Repeal of exemption	Repealing this exemption would increase revenues.															
Potential revenue gains from full repeal	(\$ in millions): <table><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$0.001</td><td>\$0.001</td><td>\$0.001</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.004</td><td>\$0.004</td><td>\$0.004</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$0.001	\$0.001	\$0.001	Local Taxes	\$0.000	\$0.004	\$0.004	\$0.004
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$0.001	\$0.001	\$0.001												
Local Taxes	\$0.000	\$0.004	\$0.004	\$0.004												
Assumptions	<ul style="list-style-type: none">- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.- Growth will be zero.															
Data Sources	Department of Revenue excise tax return data															
Additional Information	<table><thead><tr><th colspan="2">Additional Information</th></tr></thead><tbody><tr><td>Category:</td><td>Business</td></tr><tr><td>Year Enacted:</td><td>1984</td></tr><tr><td>Primary Beneficiaries:</td><td>Small timber harvesters, mostly harvesters of timber on private lands</td></tr><tr><td>Taxpayer Count:</td><td>195</td></tr><tr><td>Program Inconsistency:</td><td>None evident</td></tr><tr><td>JLARC Review:</td><td>JLARC completed an expedited review in 2012</td></tr></tbody></table>	Additional Information		Category:	Business	Year Enacted:	1984	Primary Beneficiaries:	Small timber harvesters, mostly harvesters of timber on private lands	Taxpayer Count:	195	Program Inconsistency:	None evident	JLARC Review:	JLARC completed an expedited review in 2012	
Additional Information																
Category:	Business															
Year Enacted:	1984															
Primary Beneficiaries:	Small timber harvesters, mostly harvesters of timber on private lands															
Taxpayer Count:	195															
Program Inconsistency:	None evident															
JLARC Review:	JLARC completed an expedited review in 2012															

84.33.170 - Christmas trees and cottonwoods

Description Christmas trees and short-rotation hardwoods, such as cottonwoods grown by agricultural methods are not subject to the timber excise tax. However, when short rotation hardwoods are cultivated by agricultural methods on land classified under RCW Chapter 84.34 as timber land, they are subject to timber excise tax.

Purpose To recognize that these trees are considered agricultural products, which are not subject to a tax on their harvest value.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.418	\$0.418	\$0.418	\$0.418
Local Taxes	\$1.671	\$1.671	\$1.671	\$1.671

Repeal of exemption

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.383	\$0.418	\$0.418
Local Taxes	\$0.000	\$1.532	\$1.671	\$1.671

Assumptions

- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
 - Growth will be zero.
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Data Sources

- Department of Revenue excise tax return data
 - United States Agricultural Census
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Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1971
Primary Beneficiaries:	Growers of Christmas trees and hardwoods
Taxpayer Count:	722
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2010