

SENATE BILL REPORT

SHB 1057

As Reported By Senate Committee On:
Ways & Means, April 3, 1995

Title: An act relating to changing the tax rates for canola.

Brief Description: Lowering the tax rate on canola.

Sponsors: House Committee on Agriculture & Ecology (originally sponsored by Representatives Schoesler, Morris, B. Thomas, Delvin, Carlson, Hankins, Dyer, Sheldon, Casada, Chandler, L. Thomas, Fuhrman, Mulliken, Lisk, Cooke, Sheahan and Mastin).

Brief History:

Committee Activity: Ways & Means: 4/3/95 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Gaspard, Hargrove, Hochstatter, Johnson, Long, McDonald, Pelz, Quigley, Roach, Sheldon, Snyder, Spanel, Strannigan, West and Winsley.

Staff: Terry Wilson (786-7715)

Background: The basic business and occupation (B&O) tax rate on manufacturing and on wholesale sales is 0.484 percent. For manufacturing, the rate is applied to the value of the products manufactured. The basic rates are subject to a surtax of 4.5 percent through June 30, 1997. The total rate is rounded to the nearest one-thousandth of 1 percent.

A number of exceptions to this basic rate are provided by statute. The B&O tax rate for the wholesale sale of wheat, oats, dry peas, dry beans, lentils, triticale, corn, rye, and barley is 0.011 percent. Although the surtax also applies to this special rate, the rounded rate remains at 0.011 percent. The B&O tax rate for manufacturing wheat into flour, barley into pearl barley, soybeans into soybean oil, and sunflower seeds into sunflower oil is 0.138 percent. As increased by the surtax, the rounded rate is 0.144 percent.

Summary of Bill: The B&O tax rate for wholesale sales of canola is reduced to the same rate that applies to such sales of wheat. The new rate is 0.011 percent with or without the rounded surtax. The B&O tax rate for manufacturing canola into canola oil, canola meal, or canola by-products is reduced to the rate that applies to manufacturing wheat into flour. The new rate is 0.138 percent. With the surtax which expires July 1, 1997, the rounded rate is 0.144 percent.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect July 1, 1995.

Testimony For: None.

Testimony Against: None.

Testified: No one.