

**WAC 458-61A-113 Timber, standing.** (1) The real estate excise tax applies to the sale of timber if the ownership of the timber is transferred while the timber is standing. The tax applies to the sale of standing timber whether the sale is accomplished by deed or by contract. See also chapters 84.33 RCW and 458-40 WAC for specific regulations and rules regarding the taxation of timber and forest land.

(2) The grantor's irrevocable agreement to sell timber and pass ownership to it as it is cut is a taxable transaction if the total amount of the sale is specified in the original contract.

(3) A contract to transfer the ownership of timber after it has been cut and removed from land by the grantee is not a taxable transaction.

(4) A contract between a timber owner and a harvester under which the harvester provides the service of cutting the timber and transporting it to the mill is not subject to the real estate excise tax if the timber owner retains ownership of the timber until it is delivered to and purchased by the mill.

(5) Notwithstanding the above subsections, a sale of standing timber is exempt from real estate excise tax if the gross income from the sale is subject to business and occupation tax under RCW 82.04.260 (12) (d).

[Statutory Authority: RCW 82.45.150, 82.32.300, and 82.01.060(2). WSR 20-09-034, § 458-61A-113, filed 4/7/20, effective 5/8/20. Statutory Authority: RCW 82.32.300, 82.01.060(2), and 82.45.150. WSR 05-23-093, § 458-61A-113, filed 11/16/05, effective 12/17/05.]