



## Legislation Text

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**File #:** 2005-0068, **Version:** 2

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Clerk 02/24/2005

AN ORDINANCE relating to taxation and imposing an excise tax on timber harvested from public lands, phased-in over ten years, and credited against the state tax, providing for administration and collection by the Washington state Department of Revenue; authorizing the county executive to execute an agreement with the Washington state Department of Revenue for the collection of the excise tax; establishing a January 1, 2005, effective date for collection of the excise tax on publicly owned land; amending Ordinance 6942, Section 1, Ordinance 6942, Section 3, Ordinance 6942, Section 4, Ordinance 6942, Section 5, Ordinance 6942, Section 6, Ordinance 6942, Section 7, and Ordinance 6942, Section 8, repealing Ordinance 6942, Section 2, and adding a new chapter to K.C.C. Title 4.

### STATEMENT OF FACTS:

1. In 1984, the Washington state Legislature authorized counties to impose a four-percent timber excise tax on timber harvested on private lands but not from timber harvested on public lands (Chapter 204, Laws of 1984).
2. On September 27, 1984, King County enacted the timber excise tax pursuant to Ordinance 6942.
3. In 2004 the state Legislature extended the authorization for counties to impose a timber excise tax to include timber harvested from public lands in Chapter 177, Laws of 2004 ("the

Act"), with the tax rate phased in over ten years, and with an effective date of January 1, 2005.

4. There currently is a five percent tax imposed by the state on timber harvested from private and public lands.

5. The county tax will be credited against the state tax, thus maintaining the current total rate of five percent, thereby not increasing the tax burden imposed on timber harvesters.

6. The Act provides that the Washington state Department of Revenue will collect, administer and distribute the proceeds of the county timber excise tax to the county.

7. It is the intent of the metropolitan King County council to impose the timber excise tax on timber harvested on publicly owned land and authorize the executive to execute a contract with the state Department of Revenue for the administration and collection of the tax.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 6942, Sections 1, 3, 4, 5, 6, 7 and 8, as amended by this ordinance, should constitute a new chapter in K.C.C. Title 4.

SECTION 2. Ordinance 6942, Section 1, is hereby amended to read as follows:

There is hereby imposed, as authorized by (~~Laws of 1984, Chapter 204, § 8~~) RCW 84.33.051(1), an excise tax on every person engaging in business in the county of King as a harvester as defined by (~~Laws of 1984, Chapter 204, §1 (4), on October 1, 1984~~) RCW 84.33.035. The tax shall be paid, collected and remitted to the Department of Revenue of the (~~the~~)state of Washington at the time and in the matter prescribed by (~~Section 10 of the State Act~~) RCW 84.33.086 and regulations (~~promulgated~~) adopted thereunder.

SECTION 3. Ordinance 6942, Section 3, is hereby amended to read as follows:

A. For timber harvested from privately owned land, (~~the~~)the tax imposed by Ordinance 6942, Section 1 (~~of this ordinance~~) shall be equal to the stumpage value of the timber, as defined in (~~Section 1 (5) of the State Act, harvested from privately owned land within the county~~) RCW 84.33.035, multiplied by the rate of four percent.

B. For timber harvested from publicly owned land, the tax shall be equal to the stumpage value of the timber, as defined in RCW 84.33.035, multiplied by the following rates:

1. For timber harvested January 1, 2005, through December 31, 2005, 1.2 percent;
2. For timber harvested January 1, 2006, through December 31, 2006, 1.5 percent;
3. For timber harvested January 1, 2007, through December 31, 2007, 1.8 percent;
4. For timber harvested January 1, 2008, through December 31, 2008, 2.1 percent;
5. For timber harvested January 1, 2009, through December 31, 2009, 2.4 percent;
6. For timber harvested January 1, 2010, through December 31, 2010, 2.7 percent;
7. For timber harvested January 1, 2011, through December 31, 2011, 3.1 percent;
8. For timber harvested January 1, 2012, through December 31, 2012, 3.4 percent;
9. For timber harvested January 1, 2013, through December 31, 2013, 3.7 percent; and
10. For timber harvested January 1, 2014, and thereafter, 4.0 percent.

C. Any harvester, as defined in Section 1(4) of the State Act)) RCW 84.33.035, incurring less than ((ten )) fifty dollars liability in any calendar quarter in excused from the payment of the tax imposed by Ordinance 6942, Section 1, but may be required by the Department of Revenue to file a return even through no tax may be due.

SECTION 4. Ordinance 6942, Section 4, is hereby amended to read as follows:

The administration and collection of the tax imposed by this ~~((ordinance))~~ chapter shall be in accordance with ~~((the provisions of the State Act. All Sections of C))~~ chapters 82.32 and 84.33 RCW ~~((as now existing or hereafter amended))~~, including penal provisions, ~~((shall apply))~~ with respect to the tax imposed by this ordinance, except that RCW 82.32.045 and RCW 82.32.270 shall not apply.

SECTION 5. Ordinance 6942, Section 5, is hereby amended to read as follows:

Revenue distributed to the county by the ~~((S))~~ state Treasurer from the proceeds of the tax imposed by Ordinance 6942, Section 1 ~~((of this ordinance))~~, shall be deposited in the county timber tax account as

established by the ~~((office of finance, and as provided by Subsection 9 (1) and Subsection 12 (3) of the State Act))~~ finance and business operations division of the department of executive services. Within thirty days after receiving ~~((such))~~ the revenues from the ((S))state Treasurer, the director of finance and business operations division of the department of executive services shall make distribution from ~~((such))~~ the revenues to taxing districts in the county, except the state, as prescribed by ((Subsections 9(2) through 9(4) and Subsection 12(3) of the State Act)) RCW 84.33.081.

SECTION 6. Ordinance 6942, Section 6, is hereby amended to read as follows:

The county executive is hereby authorized to contract with the Department of Revenue for the administration and collection of the tax imposed by Ordinance 6942, Section 1 ~~((of this ordinance))~~,<sub>2</sub> and to provide in ~~((such))~~ the agreement for the payment from the tax proceeds of the costs of collection and administration incurred by the Department of Revenue as directed in ((Section 9 of the State Act)) RCW 84.33.051.

SECTION 7. Ordinance 6942, Section 7, is hereby amended to read as follows:

~~((The county hereby consents to the inspection of such records as are necessary to qualify the county for inspection of records of the Department of Revenue, pursuant to RCW 82.32.330.))~~ The county agrees to give to the state Department of Revenue such facts and information and to permit the Department of Revenue to inspect the county's records in connection with the imposition, collection and administration of the tax imposed by section 2 of this ordinance, as may be necessary to permit the Department of Revenue to facilitate the administration of the tax and ensure the correct distribution of its proceeds as provided by chapters 82.32 and 84.33 RCW.

SECTION 8. Ordinance 6942, Section 8, is hereby amended to read as follows:

Any person responsible for payment of the tax imposed by this ~~((ordinance))~~ chapter who fails to pay amounts lawfully due, and any person engaging in an unlawful act as defined in RCW 82.32.290~~((, as last amended by Laws of 1975, 1st Executive Session, Chapter 278, §89, shall be))~~ is guilty of a misdemeanor.

SECTION 9. Ordinance 6942, Section 2, is hereby repealed.

SECTION 10. Section 2 of this ordinance is remedial in nature and applies retroactively to January 1, 2005, and thereafter.

SECTION 11. Severability. If any provision of this ordinance or its application

to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

official paper, 10 days prior