

## ORDINANCE 2004 -5

### *Timber Excise Tax*

**AN ORDINANCE** relating to taxation and imposing an excise tax on timber harvested from private lands; and from public lands, phased-in over ten years, and credited against the state tax, providing for administration and collection by the State Department of Revenue; creating a timber tax account; and establishing a January 1, 2005 effective date.

**WHEREAS**, in 1984 the 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, codified as RCW 84.33), and

**WHEREAS**, on September 10, 1984, Okanogan County enacted such timber excise tax pursuant to Ordinance 84-5; and

**WHEREAS**, in 2004 the State Legislature extended the authorization for counties to impose a timber excise tax to include timber harvested from public lands (Chapter 177, Laws of 2004), with the tax rate phased in over ten years, and with an effective date of January 1, 2005, and

**WHEREAS**, there currently is a five percent (5%) tax imposed by the state on timber harvested from private and public lands, and

**WHEREAS**, the county tax will be credited against the state tax, thus maintaining the current total rate of five percent (5%), thereby not increasing the tax burden imposed on timber harvesters, and

**WHEREAS**, the state law provides that the Washington State Department of Revenue will collect, administer, and distribute the proceeds of the county timber excise tax to the county; and

**WHEREAS**, the Board of County Commissioners, being fully informed, desires to impose the timber excise tax, establish an account into which the proceeds can be deposited, and contract with the State Department of Revenue for the administration and collection of the tax;

**Now, Therefore, Be It ORDAINED** by the Board of County Commissioners of Okanogan County as follows:

**Section 1. Tax Imposed.** There is imposed and shall be collected, on and after January 1, 2005, an excise tax on every person in the county engaging in business as a harvester as defined by RCW 84.33.035. The tax shall be paid, collected and remitted to the Department of Revenue of the State of Washington at the time and in the manner prescribed by RCW 84.33.086.

**Section 2. Determination of Tax.** The tax shall be equal to the stumpage value of the timber, as defined in RCW 84.33.035, harvested from privately-owned land within the county, multiplied by a rate of four percent (4%), and harvested from publicly-owned land within the county, multiplied by the following rates:

- (a) For timber harvested January 1, 2005, through December 31, 2005, 1.2 percent;
- (b) For timber harvested January 1, 2006, through December 31, 2006, 1.5 percent;
- (c) For timber harvested January 1, 2007, through December 31, 2007, 1.8 percent;
- (d) For timber harvested January 1, 2008, through December 31, 2008, 2.1 percent;
- (e) For timber harvested January 1, 2009, through December 31, 2009, 2.4 percent;
- (f) For timber harvested January 1, 2010, through December 31, 2010, 2.7 percent;
- (g) For timber harvested January 1, 2011, through December 31, 2011, 3.1 percent;
- (h) For timber harvested January 1, 2012, through December 31, 2012, 3.4 percent;
- (i) For timber harvested January 1, 2013, through December 31, 2013, 3.7 percent;
- (j) For timber harvested January 1, 2014, and thereafter, 4.0 percent.

Any harvester, as defined in RCW 84.33.035, incurring less than \$50.00 tax liability in any calendar quarter, is excused from the payment of the tax imposed by Section 1, but may be required by the Department of Revenue to file a return even though no tax may be due.

**Section 3. Administration and Collection.** The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of RCW Chapter 84.33 and all sections of RCW Chapter 82.32 (as now existing or hereafter amended), except RCW 82.32.045 and 82.32.270, shall apply with reference to the taxes imposed under this ordinance.

**Section 4. Timber Tax Account.** There is created a county timber tax account for deposit of moneys distributed to the county as provided by RCW 84.33.081(1).

**Section 5. Contract with Department of Revenue.** The county is authorized to contract with the Department of Revenue (prior to the effective date of this ordinance) for the administration and collection of the tax imposed by Section 1 and to provide in such agreement for payment of the costs of collection and administration incurred by the Department of Revenue as directed by RCW 84.33.081. The Prosecuting Attorney of Okanogan County shall first approve the form and content of the contract.

**Section 6. Agreement to Inspection of Records.** The county agrees to give to the Department of Revenue such facts and information and to permit the Department to inspect its records in connection with the imposition, collection and administration of the tax imposed by Section 1, as may be necessary to permit the county to obtain facts and information from, and inspect the records of, the Department of Revenue to facilitate the administration of the tax and insure the correct distribution of its proceeds as provided by RCW Chapter 84.33.

**Section 7. Severability.** If any provision of this ordinance, or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

**Section 8. Repealer.** Ordinance 84-5, Sections 1 through 8, and OCC 3.28.010 through 3.28.080 are each repealed.

**Section 9. Effective Date.** This ordinance shall take effect January 1, 2005.

**ENACTED** in open session by the Board of County Commissioners this 7<sup>TH</sup> day of December, 2004.

BOARD OF COMMISSIONERS OF  
OKANOGAN COUNTY, WASHINGTON

**ABSENT**

Craig Vejraska, Chairman

*Dave Schulz*  
Dave Schulz, Commissioner

*Mary Lou Peterson*  
Mary Lou Peterson, Commissioner

Attest

*B. Crowell*  
Brenda Crowell,  
Clerk of the Board

Approved as to Form

*Heidi E. Appel*  
Heidi E. Appel,  
Deputy Prosecuting Attorney