

They were adopted with little of the thoroughness that usually accompanies the process of establishing biennial revenues. The biennial budget, which ordinarily provides the justification for needed revenues, is only in the early stages of legislative review. In my opinion, any new B&O taxes to be collected in the next biennium must be justified both by being part of an equitable tax package and by a demonstrated need for the overall revenues that the package is expected to produce. I have not been provided with such justifications.

In a similar vein, there needs to be more review of the aircraft excise tax newly imposed by sections 28 through 31 of the bill. A tax of one percent of the value of an airplane, paid each year, is a marked increase compared with the engine tax now imposed. It should not be adopted without a review both of the impact that it would have on businesses that use airplanes and of the possibility that airplane owners would, as a result, register their planes elsewhere.

I have repeatedly stated the perils of trying to pass a single tax package that appropriately meets the revenue needs for both this and the next biennium. This bill is testament to those perils. I urge the legislature to divide the tasks and pass immediately those increases necessary to meet the needs for this biennium. Then we can address the remaining taxes and the budget that are appropriate for the next biennium.

For these reasons I have vetoed sections 1, 2, 4, 5, 28, 29, 30, and 31."

CHAPTER 8

[House Bill No. 61]

TIMBER TAX ACCOUNTS—REVENUE TRANSFER

AN ACT Relating to revenue transfers among timber tax accounts; amending section 8, chapter 294, Laws of 1971 ex. sess. as last amended by section 6, chapter 4, Laws of 1981 and RCW 84.33.080; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 8, chapter 294, Laws of 1971 ex. sess. as last amended by section 6, chapter 4, Laws of 1981 and RCW 84.33.080 are each amended to read as follows:

(1) On or before December 15 of each year commencing with 1972, the assessor of each timber county shall deliver to the treasurer of such county and to the department of revenue a schedule setting forth for each taxing district or portion thereof lying within such county:

(a) The value of timber as shown on the timber roll for such year;

(b) The aggregate dollar rate calculated pursuant to RCW 84.33.060 and actually utilized the immediately preceding October in extending real property taxes upon the tax rolls for collection in the following year;

(c) A "timber factor" which is the product of such aggregate dollar rate, the assessment ratio applied generally by such assessor in computing the assessed value of other property in his county and the appropriate portion listed below of the timber roll for such year ((a) above):

YEAR	PORTION OF TIMBER ROLL
1972	25%
1973	55%
1974 through 1977	100%
1978 and thereafter	80%

On or before December 31 of each year commencing with 1972, the department of revenue shall determine the proportion that each taxing district's timber factor bears to the sum of the timber factors for all taxing districts in the state, and shall deliver a list to the assessor and the treasurer of each timber county and to the state treasurer showing the factor and proportion for each taxing district.

(2) On the twentieth day of the second month of each calendar quarter, commencing February 20, 1974, the state treasurer shall pay to the treasurer of each timber county for the account of each taxing district such district's proportion and pay into the state general fund for the support of the common schools the state's proportion (determined in December of the preceding year pursuant to subsection (1) of this section) of the amount in state timber tax account A collected upon timber harvested in the preceding calendar quarter, but in no event shall any such quarterly payment to a taxing district, when added to such payments made to such district the previous quarters of the same year, exceed, respectively one-fourth, one-half, three-fourths, or the full amount of the timber factor for such district determined in December of the preceding year.

The balance in state timber tax account A, if any, on the twentieth day of the second month of each calendar quarter commencing February 20, 1975 (~~and ending November 20, 1982~~) shall be transferred to the state timber tax reserve account.

(3) If the balance in state timber tax account A immediately prior to such twentieth day of the second month of each calendar quarter is not sufficient to permit a payment of one-fourth, one-half, three-fourths, or the full amount, as the case may be, which, when added to the payments made to any taxing district the previous quarters of the same year, will equal the timber factor for such district determined in December of the preceding year, the necessary additional amount shall be transferred from the state timber tax reserve account to state timber tax account A.

(4) Funds in the state timber tax reserve account may be appropriated by the legislature for the support of the common schools, and for activities undertaken by the department of revenue forest tax division and for the activities undertaken by the department of natural resources relating to classification of lands as required by this chapter. Following the transfer, if any, from the state timber tax account A (pursuant to subsection (2) of this section) in November of 1977 and each year thereafter, the department of

revenue shall determine on or before December 31 of such year. An amount to be distributed to the taxing districts the following calendar year, which distribution shall be determined in the following manner: PROVIDED, That the amount of such excess reserve account distribution shall be limited to that amount which, when added to the total account A distribution for the same calendar year, will allow a percentage increase or decrease in total calendar year distributions equal to the percentage increase or decrease in excise tax collections between the preceding calendar year and the current calendar year:

(a) The department of revenue shall calculate a harvest factor and a harvest factor proportion for each taxing district, in the manner provided in subsection (5) of this section except that for years before 1978 there shall be used the aggregate value of timber harvested for as many quarters for which information is available;

(b) By multiplying the amount of such excess by the harvest factor proportion for each taxing district respectively, the department of revenue shall calculate the amount to be distributed to each local taxing district and to the state and shall certify such amounts to the respective county assessors and state;

(c) Along with each quarterly payment pursuant to subsection (2) of this section, the state treasurer shall pay, out of the state timber reserve account, to the treasurer of each timber county for the account of each local taxing district one-fourth of such district's portion (determined pursuant to (b) above) of such excess and the state treasurer shall pay into the state's general fund for the support of the common schools out of the state timber tax reserve account such additional one-fourth amount due the state.

(5) On or before December 31 of each year commencing with 1978, the department of revenue shall deliver to the treasurer of each timber county a schedule setting forth for each taxing district or portion thereof lying within such county:

(a) The average of the aggregate value of all timber harvested within such district in each of the immediately preceding five years as determined from the excise tax returns filed with the department of revenue;

(b) The aggregate dollar rate calculated pursuant to RCW 84.33.060 and chapter 84.52 RCW and actually utilized the immediately preceding October in extending real property taxes upon the tax rolls for collection the following year;

(c) A "harvest factor" which is the product of such five year average and such aggregate dollar rate;

(d) The proportion that each taxing district's harvest factor bears to the sum of the harvest factors for all taxing districts in the state.

NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state

government and its existing public institutions, and shall take effect immediately.

Passed the House January 31, 1983.

Passed the Senate February 16, 1983.

Approved by the Governor February 23, 1983.

Filed in Office of Secretary of State February 23, 1983.

CHAPTER 9

[Engrossed House Bill No. 1075]

BUSINESS AND OCCUPATION TAX—TEMPORARY INCREASES—CERTAIN BUSINESSES

AN ACT Relating to revenue and taxation; amending section 3, chapter 65, Laws of 1970 ex. sess. and RCW 82.04.255; amending section 82.04.290, chapter 15, Laws of 1961 as last amended by section 212, chapter 3, Laws of 1983 and RCW 82.04.290; amending section 3, chapter 130, Laws of 1975-'76 2nd ex. sess. as last amended by section 2, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.04.2901; adding new sections to chapter 82.04 RCW; creating a new section; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 3, chapter 65, Laws of 1970 ex. sess. and RCW 82.04-.255 are each amended to read as follows:

Upon every person engaging within the state as a real estate broker; as to such persons, the amount of the tax with respect to such business shall be equal to the gross income of the business, multiplied by the rate of ~~((one))~~ two percent until and including June 30, 1983, and one percent thereafter.

The measure of the tax on real estate commissions earned by the real estate broker shall be the gross commission earned by the particular real estate brokerage office including that portion of the commission paid to salesmen or associate brokers in the same office on a particular transaction: **PROVIDED, HOWEVER,** That where a real estate commission is divided between an originating brokerage office and a cooperating brokerage office on a particular transaction, each brokerage office shall pay the tax only upon their respective shares of said commission: **AND PROVIDED FURTHER,** That where the brokerage office has paid the tax as provided herein, salesmen or associate brokers within the same brokerage office shall not be required to pay a similar tax upon the same transaction.

Sec. 2. Section 82.04.290, chapter 15, Laws of 1961 as last amended by section 212, chapter 3, Laws of 1983 and RCW 82.04.290 are each amended to read as follows:

Upon every person engaging within this state in any business activity other than or in addition to those enumerated in RCW 82.04.230, 82.04-.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270, and 82.04.280; as to such persons the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of ~~((one))~~ two percent