

~~to exceed six months. PROVIDED, That the~~) The billing rate shall be established based on costs incurred in the prior biennium and anticipated costs in the new biennium. Those expenses related to training, maintenance of working capital including reserves for late and uncollectible accounts, and necessary adjustments to billings, shall be considered as expenses of auditing public accounts. Working capital shall not exceed five percent of the auditing services revolving fund appropriation. The director of the office of financial management shall establish a committee of at least three certified public accountants with private sector audit experience to prepare general guidelines governing procedures to be used in determining audit costs and standards for measuring auditor productivity. These proposed procedures and productivity standards shall be presented for review by the house and senate committees on ways and means prior to the 1982 regular session of the legislature.

NEW SECTION. Sec. 3. Section 43.09.320, chapter 8, Laws of 1965 and RCW 43.09.320 are each repealed.

Passed the House March 16, 1987.

Passed the Senate April 13, 1987.

Approved by the Governor April 23, 1987.

Filed in Office of Secretary of State April 23, 1987.

CHAPTER 166

[House Bill No. 199]

TIMBER EXCISE TAX—TAX LIABILITY THRESHOLD REVISED—SMALL HARVESTER REDEFINED

AN ACT Relating to timber excise tax administrative provisions; and amending RCW 84.33.086 and 84.33.073.

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

Sec. 1. Section 10, chapter 204, Laws of 1984 and RCW 84.33.086 are each amended to read as follows:

(1) The taxes imposed under this chapter shall be computed with respect to timber harvested each calendar quarter and shall be due and payable in quarterly installments. Remittance shall be made on or before the last day of the month next succeeding the end of the quarterly period in which the tax accrues. The taxpayer on or before such date shall make out a return, upon such forms and setting forth such information as the department of revenue may require, showing the amount of tax for which the taxpayer is liable for the preceding quarterly period and shall sign and transmit the same to the department of revenue, together with a remittance for the amount of tax.

(2) The taxes imposed by this chapter are in addition to any taxes imposed upon the same persons under chapter 82.04 RCW.

(3) Any harvester incurring less than ~~((ten))~~ fifty dollars tax liability under this section in any calendar quarter is excused from the payment of such tax, but may be required by the department of revenue to file a return even though no tax may be due.

Sec. 2. Section 1, chapter 146, Laws of 1981 as last amended by section 2, chapter 315, Laws of 1986 and RCW 84.33.073 are each amended to read as follows:

As used in RCW 84.33.073 and 84.33.074, the following terms have the meanings indicated unless the context clearly requires otherwise.

(1) "Small harvester" means every person who from his own land or from the land of another under a right or license granted by lease or contract, either directly or by contracting with others for the necessary labor or mechanical services, fells, cuts, or takes timber for sale or for commercial or industrial use in an amount not exceeding five hundred thousand board feet in a calendar quarter and not exceeding one million board feet in a calendar year: PROVIDED, That whenever the United States or any instrumentality thereof, the state, including its departments and institutions and political subdivisions, or any municipal corporation therein so fells, cuts, or takes timber for sale or for commercial or industrial use, not exceeding these amounts, the small harvester is the first person other than the United States or any instrumentality thereof, the state, including its departments and institutions and political subdivisions, or any municipal corporation therein, who acquires title to or a possessory interest in such timber. "Small harvester" does not include persons performing under contract the necessary labor or mechanical services for a harvester, and it does not include harvesters of ~~((forest products classified by the department of revenue as special forest products including))~~ Christmas trees ~~((posts, shake boards and bolts, and shingle blocks))~~.

(2) "Timber" means forest trees, standing or down, on privately or publicly owned land.

(3) "Harvesting and marketing costs" means only those costs directly associated with harvesting the timber from the land and delivering it to the buyer and may include the costs of disposing of logging residues but it does not include any other costs which are not directly and exclusively related to harvesting and marketing of the timber such as costs of permanent roads or costs of reforesting the land following harvest.

Passed the House March 2, 1987.

Passed the Senate April 13, 1987.

Approved by the Governor April 23, 1987.

Filed in Office of Secretary of State April 23, 1987.