



RULE-MAKING ORDER

CR-103 (June 2004)
(Implements RCW 34.05.360)

Agency: Department of Revenue

- Permanent Rule
- Emergency Rule

Effective date of rule:

Permanent Rules

- 31 days after filing.
- Other (specify) _____

Effective date of rule:

Emergency Rules

- Immediately upon filing.
- Later (specify) **July 1, 2005**

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes No If Yes, explain: Emergency rule findings are required; see below.

Purpose: WAC 458-20-210 explains the application of business and occupation (B&O), retail sales, and use taxes to the sale and/or use of feed, seed, fertilizer, spray materials, and other tangible personal property for farming. This rule also explains the application of B&O, retail sales, and litter taxes to the sale of agricultural products by farmers.

One of the issues discussed Rule 210 is the tax incentives provided for reducing agricultural burning of cereal grain and grass fields. Chapter 420, Laws of 2005, made a number of changes to the tax incentives. These changes are effective July 1, 2005. The Department has adopted a new WAC 458-20-271 so explain the tax incentives to reduce agricultural burning. The information on the tax incentives for periods prior to the legislative change has been removed from Rule 210 and incorporated into Rule 271.

The Department has adopted the new Rule 271 and a revised Rule 210 on an emergency basis to recognize the legislative change. The Department plans to proceed with rule making for a permanent new Rule 271 and a more complete revision of a permanent Rule 210.

Citation of existing rules affected by this order:

Amended: **WAC 458-20-210 Sales of agricultural products by farmers.**

Statutory authority for adoption: RCW 82.32.300 and 82.01.060(1)

Other authority :

PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR _____ on _____ (date).

Describe any changes other than editing from proposed to adopted version:

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

- That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding: **An emergency adoption of a new Rule 271 and revised Rule 210 is necessary because permanent rules cannot be adopted before the July 1, 2005 effective date. This rule action will provide needed tax information to taxpayers and department staff about the change in the retail sales and use tax exemption provided for reducing agricultural burning.**

Date adopted:

NAME (TYPE OR PRINT)

Janis P. Bianchi

SIGNATURE

TITLE Manager

Interpretations and Technical Advice Unit

CODE REVISER USE ONLY

Filed: June 30, 2005

Time: 4:35 p.m.

WSR: 05-14-105

This information was input by DOR.

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	<u>1</u>	Amended	<u>1</u>	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted in the agency's own initiative:

New	<u>1</u>	Amended	<u>1</u>	Repealed	_____
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	<u>1</u>	Amended	<u>1</u>	Repealed	_____