



# RULE-MAKING ORDER

**CR-103P (May 2009)**  
**(Implements RCW 34.05.360)**

**Agency:** Department of Revenue

**Permanent Rule Only**

**Effective date of rule:**

**Permanent Rules**

31 days after filing.

Other (specify) 1/1/15 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

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

Yes  No If Yes, explain: The forest land values rule is required by statute (RCW 84.33.140) to be effective on January 1, 2015. The stumpage value rule is also required by statute (RCW 84.33.091) to be effective on January 1, 2015.

**Purpose:** WAC 458-40-540 contains the forest land values used by county assessors for property tax purposes. This rule is being revised to provide the forest land values to be used in 2015.

WAC 458-40-660 contains the stumpage values used by harvesters of timber to calculate the timber excise tax. This rule is being revised to provide the stumpage values to be used during the first half of 2015.

**Citation of existing rules affected by this order:**

Repealed:

Amended: WAC 458-40-540 and WAC 458-40-660

Suspended:

**Statutory authority for adoption:** RCW 82.01.060(2), 82.32.300, and 84.33.096

**Other authority:** RCW 84.33.091 and 84.33.140

**PERMANENT RULE (Including Expedited Rule Making)**

Adopted under notice filed as WSR 14-22-062 on October 31, 2014.

Describe any changes other than editing from proposed to adopted version: None.

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

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**Date adopted:** December 17, 2014

**CODE REVISER USE ONLY**

**NAME**

Dylan Waits

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE: December 17, 2014**

**TIME: 1:43 PM**

**SIGNATURE**

**WSR 15-01-095**

**TITLE**

Rules Coordinator

(COMPLETE REVERSE SIDE)

**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:**

<b>Federal statute:</b>	New	_____	Amended	_____	Repealed	_____
<b>Federal rules or standards:</b>	New	_____	Amended	_____	Repealed	_____
<b>Recently enacted state statutes:</b>	New	_____	Amended	_____	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	_____	Amended	<u>2</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:**

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	New	_____	Amended	_____	Repealed	_____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

AMENDATORY SECTION (Amending WSR 14-01-097, filed 12/17/13, effective 1/1/14)

**WAC 458-40-540 Forest land values—((2014)) 2015.** The forest land values, per acre, for each grade of forest land for the ((2014)) 2015 assessment year are determined to be as follows:

LAND GRADE	OPERABILITY CLASS	((2014)) <u>2015</u> VALUES PER ACRE
<del>1</del>	1	\$189
	2	187
	3	175
	4	127
2	1	160
	2	155
	3	148
	4	106
3	1	124
	2	120
	3	119
	4	92
4	1	96
	2	93
	3	92
	4	69
5	1	69
	2	62
	3	61
	4	43
6	1	35
	2	33
	3	33
	4	31
7	1	16
	2	16
	3	15
	4	15
8	1	1))
<u>1</u>	1	\$193
	2	191
	3	179
	4	130
<u>2</u>	1	164
	2	158
	3	151
	4	108
<u>3</u>	1	127
	2	123
	3	122
	4	94
<u>4</u>	1	98
	2	95
	3	94
	4	71
<u>5</u>	1	71
	2	63
	3	62
	4	44

This rule was adopted December 17, 2014 and becomes effective January 1, 2015. It may be used to determine tax liability on and after the effective date, until the codified version is available from the code reviser's office.

LAND GRADE	OPERABILITY CLASS	<del>((2014))</del> 2015 VALUES PER ACRE
<u>6</u>	<u>1</u>	<u>36</u>
	<u>2</u>	<u>34</u>
	<u>3</u>	<u>34</u>
	<u>4</u>	<u>32</u>
<u>7</u>	<u>1</u>	<u>16</u>
	<u>2</u>	<u>16</u>
	<u>3</u>	<u>15</u>
	<u>4</u>	<u>15</u>
<u>8</u>	<u>1</u>	<u>1</u>

AMENDATORY SECTION (Amending WSR 14-14-079, filed 6/27/14, effective 7/1/14)

**WAC 458-40-660 Timber excise tax—Stumpage value tables—Stumpage value adjustments.** (1) **Introduction.** This rule provides stumpage value tables and stumpage value adjustments used to calculate the amount of a harvester's timber excise tax.

(2) **Stumpage value tables.** The following stumpage value tables are used to calculate the taxable value of stumpage harvested from ~~((July))~~ January 1 through ((December 31, 2014)) June 30, 2015:

**Washington State Department of Revenue**  
**STUMPAGE VALUE TABLE**  
~~((July))~~ January 1 through ((December 31, 2014)) June 30, 2015  
 Stumpage Values per Thousand Board Feet Net Scribner Log Scale<sup>(1)</sup>  
 Starting July 1, 2012, there are no separate Quality Codes per Species Code.

Species Name	Species Code	SVA (Stumpage Value Area)	Haul Zone				
			1	2	3	4	5
<del>((Douglas-fir<sup>(2)</sup></del>	DF	1	\$476	\$469	\$462	\$455	\$448
		2	516	509	502	495	488
		3	438	431	424	417	410
		4	530	523	516	509	502
		5	470	463	456	449	442
		6	265	258	251	244	237
Western Hemlock and Other Conifer <sup>(3)</sup>	WH	1	408	401	394	387	380
		2	430	423	416	409	402
		3	396	389	382	375	368
		4	385	378	371	364	357
		5	407	400	393	386	379
		6	273	266	259	252	245
Western Redcedar <sup>(4)</sup>	RC	1-5	943	936	929	922	915
		6	705	698	691	684	677
Ponderosa Pine <sup>(5)</sup>	PP	1-6	222	215	208	201	194
Red Alder	RA	1-5	466	459	452	445	438
Black Cottonwood	BC	1-5	54	47	40	33	26
Other Hardwood	OH	1-5	280	273	266	259	252
		6	23	16	9	2	1
Douglas-fir Poles & Piles	DFL	1-5	840	833	826	819	812
Western Redcedar Poles	RCL	1-5	1378	1371	1364	1357	1350
		6	935	928	921	914	907
Chipwood <sup>(6)</sup>	CHW	1-5	6	5	4	3	2
		6	1	1	1	1	1
Small Logs <sup>(6)</sup>	SML	6	30	29	28	27	26
RC Shake & Shingle Blocks <sup>(7)</sup>	RCS	1-6	178	171	164	157	150
Posts <sup>(8)</sup>	LPP	1-6	0.35	0.35	0.35	0.35	0.35

Species Name	Species Code	SVA (Stumpage Value Area)	Haul Zone				
			1	2	3	4	5
<u>DF Christmas Trees<sup>(9)</sup></u>	<u>DFX</u>	<u>1-6</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>
<u>Other Christmas Trees<sup>(9)</sup></u>	<u>TFX</u>	<u>1-6</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
<u>Douglas-fir<sup>(2)</sup></u>	<u>DF</u>	<u>1</u>	<u>\$494</u>	<u>\$487</u>	<u>\$480</u>	<u>\$473</u>	<u>\$466</u>
		<u>2</u>	<u>496</u>	<u>489</u>	<u>482</u>	<u>475</u>	<u>468</u>
		<u>3</u>	<u>423</u>	<u>416</u>	<u>409</u>	<u>402</u>	<u>395</u>
		<u>4</u>	<u>533</u>	<u>526</u>	<u>519</u>	<u>512</u>	<u>505</u>
		<u>5</u>	<u>447</u>	<u>440</u>	<u>433</u>	<u>426</u>	<u>419</u>
		<u>6</u>	<u>271</u>	<u>264</u>	<u>257</u>	<u>250</u>	<u>243</u>
<u>Western Hemlock and</u>	<u>WH</u>	<u>1</u>	<u>428</u>	<u>421</u>	<u>414</u>	<u>407</u>	<u>400</u>
<u>Other Conifer<sup>(3)</sup></u>		<u>2</u>	<u>437</u>	<u>430</u>	<u>423</u>	<u>416</u>	<u>409</u>
		<u>3</u>	<u>392</u>	<u>385</u>	<u>378</u>	<u>371</u>	<u>364</u>
		<u>4</u>	<u>386</u>	<u>379</u>	<u>372</u>	<u>365</u>	<u>358</u>
		<u>5</u>	<u>408</u>	<u>401</u>	<u>394</u>	<u>387</u>	<u>380</u>
		<u>6</u>	<u>260</u>	<u>253</u>	<u>246</u>	<u>239</u>	<u>232</u>
<u>Western Redcedar<sup>(4)</sup></u>	<u>RC</u>	<u>1-5</u>	<u>1001</u>	<u>994</u>	<u>987</u>	<u>980</u>	<u>973</u>
		<u>6</u>	<u>693</u>	<u>686</u>	<u>679</u>	<u>672</u>	<u>665</u>
<u>Ponderosa Pine<sup>(5)</sup></u>	<u>PP</u>	<u>1-6</u>	<u>228</u>	<u>221</u>	<u>214</u>	<u>207</u>	<u>200</u>
<u>Red Alder</u>	<u>RA</u>	<u>1-5</u>	<u>481</u>	<u>474</u>	<u>467</u>	<u>460</u>	<u>453</u>
<u>Black Cottonwood</u>	<u>BC</u>	<u>1-5</u>	<u>75</u>	<u>68</u>	<u>61</u>	<u>54</u>	<u>47</u>
<u>Other Hardwood</u>	<u>OH</u>	<u>1-5</u>	<u>339</u>	<u>332</u>	<u>325</u>	<u>318</u>	<u>311</u>
		<u>6</u>	<u>23</u>	<u>16</u>	<u>9</u>	<u>2</u>	<u>1</u>
<u>Douglas-fir Poles &amp; Piles</u>	<u>DFL</u>	<u>1-5</u>	<u>876</u>	<u>869</u>	<u>862</u>	<u>855</u>	<u>848</u>
<u>Western Redcedar Poles</u>	<u>RCL</u>	<u>1-5</u>	<u>1453</u>	<u>1446</u>	<u>1439</u>	<u>1432</u>	<u>1425</u>
		<u>6</u>	<u>944</u>	<u>937</u>	<u>930</u>	<u>923</u>	<u>916</u>
<u>Chipwood<sup>(6)</sup></u>	<u>CHW</u>	<u>1-5</u>	<u>8</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>4</u>
		<u>6</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>Small Logs<sup>(6)</sup></u>	<u>SML</u>	<u>6</u>	<u>25</u>	<u>24</u>	<u>23</u>	<u>22</u>	<u>21</u>
<u>RC Shake &amp; Shingle Blocks<sup>(7)</sup></u>	<u>RCS</u>	<u>1-5</u>	<u>289</u>	<u>282</u>	<u>275</u>	<u>268</u>	<u>261</u>
<u>Posts<sup>(8)</sup></u>	<u>LPP</u>	<u>1-5</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>
<u>DF Christmas Trees<sup>(9)</sup></u>	<u>DFX</u>	<u>1-5</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>
<u>Other Christmas Trees<sup>(9)</sup></u>	<u>TFX</u>	<u>1-5</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>

- (1) Log scale conversions Western and Eastern Washington. See conversion methods WAC 458-40-680.
- (2) Includes Western Larch.
- (3) Includes all Hemlock, Spruce and true Fir species, Lodgepole Pine, or any other conifer not listed on this page.
- (4) Includes Alaska-Cedar.
- (5) Includes Western White Pine.
- (6) Stumpage value per ton.
- (7) Stumpage value per cord.
- (8) Includes Lodgepole posts and other posts, Stumpage Value per 8 lineal feet or portion thereof.
- (9) Stumpage Value per lineal foot.

(3) **Harvest value adjustments.** The stumpage values in subsection (2) of this rule for the designated stumpage value areas are adjusted for various logging and harvest conditions, subject to the following:

(a) No harvest adjustment is allowed for special forest products, chipwood, or small logs.

(b) Conifer and hardwood stumpage value rates cannot be adjusted below one dollar per MBF.

(c) Except for the timber yarded by helicopter, a single logging condition adjustment applies to the entire harvest unit. The taxpayer must use the logging condition adjustment class that applies to a majority (more than 50%) of the acreage in that harvest unit. If the harvest unit is reported over more than one quarter, all quarterly returns for that harvest unit must report the same logging condition adjustment. The helicopter adjustment applies only to the timber volume from the harvest unit that is yarded from stump to landing by helicopter.

(d) The volume per acre adjustment is a single adjustment class for all quarterly returns reporting a harvest unit. A harvest unit is established by the harvester prior to harvesting. The volume per acre is determined by taking the volume logged from the unit excluding the volume reported as chipwood or small logs and dividing by the total acres logged. Total acres logged does not include leave tree areas (RMZ, UMZ, forested wetlands, etc.,) over 2 acres in size.

(e) A domestic market adjustment applies to timber which meet the following criteria:

(i) **Public timber** - Harvest of timber not sold by a competitive bidding process that is prohibited under the authority of state or federal law from foreign export may be eligible for the domestic market adjustment. The adjustment may be applied only to those species of timber that must be processed domestically. According to type of sale, the adjustment may be applied to the following species:

Federal Timber Sales: All species except Alaska-cedar. (Stat. Ref. - 36 C.F.R. 223.10)

State, and Other Nonfederal, Public Timber Sales: Western Redcedar only. (Stat. Ref. - 50 U.S.C. appendix 2406.1)

(ii) **Private timber** - Harvest of private timber that is legally restricted from foreign export, under the authority of The Forest Resources Conservation and Shortage Relief Act (Public Law 101-382), (16 U.S.C. Sec. 620 et seq.); the Export Administration Act of 1979 (50 U.S.C. App. 2406(i)); a Cooperative Sustained Yield Unit Agreement made pursuant to the act of March 29, 1944 (16 U.S.C. Sec. 583-583i); or Washington Administrative Code (WAC 240-15-015(2)) is also eligible for the Domestic Market Adjustment.

The following harvest adjustment tables apply from ~~((July))~~ January 1 through ~~((December 31, 2014))~~ June 30, 2015:

**TABLE 9—Harvest Adjustment Table**  
**Stumpage Value Areas 1, 2, 3, 4, and 5**  
~~((July))~~ January 1 through ~~((December 31, 2014))~~ June 30, 2015

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of 30 thousand board feet or more per acre.	\$0.00
Class 2	Harvest of 10 thousand board feet to but not including 30 thousand board feet per acre.	-\$15.00

This rule was adopted December 17, 2014 and becomes effective January 1, 2015. It may be used to determine tax liability on and after the effective date, until the codified version is available from the code reviser's office.

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
Class 3	Harvest of less than 10 thousand board feet per acre.	-\$35.00
II. Logging conditions		
Class 1	Ground based logging a majority of the unit using tracked or wheeled vehicles or draft animals.	\$0.00
Class 2	Cable logging a majority of the unit using an overhead system of winch driven cables.	-\$50.00
Class 3	Applies to logs yarded from stump to landing by helicopter. This does not apply to special forest products.	-\$145.00
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00
IV. Thinning		
Class 1	A limited removal of timber described in WAC 458-40-610 (28)	-\$100.00

**TABLE 10—Harvest Adjustment Table**  
**Stumpage Value Area 6**  
 ((July)) January 1 through ((December 31, 2014)) June 30, 2015

Type of Adjustment	Definition	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
I. Volume per acre		
Class 1	Harvest of more than 8 thousand board feet per acre.	\$0.00
Class 2	Harvest of 8 thousand board feet per acre and less.	-\$8.00
II. Logging conditions		
Class 1	The majority of the harvest unit has less than 40% slope. No significant rock outcrops or swamp barriers.	\$0.00
Class 2	The majority of the harvest unit has slopes between 40% and 60%. Some rock outcrops or swamp barriers.	-\$50.00
Class 3	The majority of the harvest unit has rough, broken ground with slopes over 60%. Numerous rock outcrops and bluffs.	-\$75.00
Class 4	Applies to logs yarded from stump to landing by helicopter. This does not apply to special forest products.	-\$145.00
Note:	A Class 2 adjustment may be used for slopes less than 40% when cable logging is required by a duly promulgated forest practice regulation. Written documentation of this requirement must be provided by the taxpayer to the department of revenue.	
III. Remote island adjustment:		
	For timber harvested from a remote island	-\$50.00

**TABLE 11—Domestic Market Adjustment**

Class	Area Adjustment Applies	Dollar Adjustment Per Thousand Board Feet Net Scribner Scale
	SVAs 1 through 5 only:	\$((4.00)) 2.00

Note: This adjustment only applies to published MBF sawlog values.

(4) **Damaged timber.** Timber harvesters planning to remove timber from areas having damaged timber may apply to the department of revenue for an adjustment in stumpage values. The application must contain a map with the legal descriptions of the area, an accurate estimate of

the volume of damaged timber to be removed, a description of the damage sustained by the timber with an evaluation of the extent to which the stumpage values have been materially reduced from the values shown in the applicable tables, and a list of estimated additional costs to be incurred resulting from the removal of the damaged timber. The application must be received and approved by the department of revenue before the harvest commences. Upon receipt of an application, the department of revenue will determine the amount of adjustment to be applied against the stumpage values. Timber that has been damaged due to sudden and unforeseen causes may qualify.

(a) Sudden and unforeseen causes of damage that qualify for consideration of an adjustment include:

(i) Causes listed in RCW 84.33.091; fire, blow down, ice storm, flood.

(ii) Others not listed; volcanic activity, earthquake.

(b) Causes that do not qualify for adjustment include:

(i) Animal damage, root rot, mistletoe, prior logging, insect damage, normal decay from fungi, and pathogen caused diseases; and

(ii) Any damage that can be accounted for in the accepted normal scaling rules through volume or grade reductions.

(c) The department of revenue will not grant adjustments for applications involving timber that has already been harvested but will consider any remaining undisturbed damaged timber scheduled for removal if it is properly identified.

(d) The department of revenue will notify the harvester in writing of approval or denial. Instructions will be included for taking any adjustment amounts approved.

(5) **Forest-derived biomass**, has a \$0/ton stumpage value.