



# PROPOSED RULE MAKING

## CR-102 (December 2017) (Implements RCW 34.05.320)

Do NOT use for expedited rule making

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STATE OF WASHINGTON  
FILED

DATE: April 28, 2021

TIME: 1:16 PM

WSR 21-10-042

Agency: Department of Revenue

Original Notice

Supplemental Notice to WSR \_\_\_\_\_

Continuance of WSR \_\_\_\_\_

Preproposal Statement of Inquiry was filed as WSR 21-03-091 ; or

Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW \_\_\_\_\_.

Title of rule and other identifying information: (describe subject) WAC 458-40-660 (Timber excise tax – Stumpage value tables – Stumpage value adjustments)

### Hearing location(s):

Date:

Time:

Location: (be specific)

Comment:

June 8, 2021

11:30 am

This meeting will be conducted over the internet and telephone

Contact Keith Dacus, Management Analyst, at KeithD@dor.wa.gov for login/dial-in information

Date of intended adoption: June 16, 2020 (Note: This is NOT the effective date)

### Submit written comments to:

Name: Jennifer Arnold

Address: PO Box 47453, Olympia, WA 98504-7453

Email: [JenniferA@dor.wa.gov](mailto:JenniferA@dor.wa.gov)

Fax: 360-534-1606

Other:

By (date) June 11, 2021

### Assistance for persons with disabilities:

Contact Julie King or Renee Cosare

Phone: (360)704-5733 or (360) 704-5734

Fax:

TTY: 800-833-6384

Email:

Other:

By (date) \_\_\_\_\_

Purpose of the proposal and its anticipated effects, including any changes in existing rules: RCW 84.33.091 requires the Department to revise the stumpage value tables every six months. The Department establishes the stumpage value tables to apprise timber harvesters of the timber values used to calculate the timber excise tax. The values in the proposed rule will apply July 1, 2020 through December 31, 2020..

**Reasons supporting proposal:** This proposal provides the revised stumpage value tables for July 1, 2021 through December 31, 2021.

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

**Statute being implemented:** 84.33.091

**Is rule necessary because of a:**

|                         |                              |  |
|-------------------------|------------------------------|--|
| Federal Law?            | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

If yes, CITATION:

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:** None

**Name of proponent:** (person or organization) Department of Revenue

|  |
|--|
| <input type="checkbox"/> Private                 |
| <input type="checkbox"/> Public                  |
| <input checked="" type="checkbox"/> Governmental |

**Name of agency personnel responsible for:**

|                 | Name            | Office Location                     | Phone          |
|-----------------|-----------------|-------------------------------------|----------------|
| Drafting:       | Jennifer Arnold | 6400 Linderson Way SW, Tumwater, WA | (360) 534-1583 |
| Implementation: | John Ryser      | 6400 Linderson Way SW, Tumwater, WA | (360) 534-1605 |
| Enforcement:    | John Ryser      | 6400 Linderson Way SW, Tumwater, WA | (360) 534-1605 |

**Is a school district fiscal impact statement required under RCW 28A.305.135?**  Yes  No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Other:

**Is a cost-benefit analysis required under RCW 34.05.328?**

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name: Jennifer Arnold  
Address: Interpretations & Technical Advice Division  
PO Box 47453  
Olympia, WA 98504-7453  
Phone: (360) 534-1574  
Fax: (360) 534-1606  
TTY:  
Email:  
Other:

No: Please explain:

**Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:**

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- RCW 34.05.310 (4)(b) (Internal government operations)
- RCW 34.05.310 (4)(c) (Incorporation by reference)
- RCW 34.05.310 (4)(d) (Correct or clarify language)
- RCW 34.05.310 (4)(e) (Dictated by statute)
- RCW 34.05.310 (4)(f) (Set or adjust fees)
- RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under RCW \_\_\_\_\_.

Explanation of exemptions, if necessary:

**COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES**

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's analysis showing how costs were calculated. The proposed rule does not impose more than minor costs on businesses, as it does not propose any new requirements.

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

**Date:** April 28, 2021

**Name:** Atif Aziz

**Title:** Rules Coordinator

**Signature:**



AMENDATORY SECTION (Amending WSR 21-02-020, filed 12/28/20, effective 1/1/21)

**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 ~~((January 1st))~~ July 1 through ~~((June 30))~~ December 31, 2021:

Washington State Department of Revenue

**WESTERN WASHINGTON STUMPAGE VALUE TABLE**

~~((January))~~ July 1 through ~~((June 30))~~ December 31, 2021

Stumpage Values per Thousand Board Feet Net Scribner Log Scale<sup>(1)</sup>  
Starting January 1, 2019, there are no Haul Zone adjustments.

| Species Name                    | Species Code                     | SVA (Stumpage Value Area)                        | Stumpage Values                   |   |                                  |
|---------------------------------|----------------------------------|--|-----------------------------------|---|----------------------------------|
| Douglas-fir <sup>(2)</sup>      | DF                               | 1  | <del>((394))</del><br><u>422</u>  |   |                                  |
|                                 |                                  | 2  | <del>((453))</del><br><u>520</u>  |   |                                  |
|                                 |                                  | 3  | <del>((483))</del><br><u>520</u>  |   |                                  |
|                                 |                                  | 4  | <del>((511))</del><br><u>573</u>  |   |                                  |
|                                 |                                  | 5  | <del>((465))</del><br><u>539</u>  |   |                                  |
|                                 |                                  | 9  | <del>((377))</del><br><u>408</u>  |   |                                  |
|                                 |                                  | Western Hemlock and Other Conifer <sup>(3)</sup> | WH                                | 1 | <del>((226))</del><br><u>282</u> |
|                                 |                                  |  |                                   | 2 | <del>((290))</del><br><u>395</u> |
|                                 |                                  |  |                                   | 3 | <del>((389))</del><br><u>419</u> |
| 4                               | <del>((320))</del><br><u>348</u> |  |                                   |   |                                  |
| 5                               | <del>((255))</del><br><u>362</u> |  |                                   |   |                                  |
| 9                               | <del>((212))</del><br><u>268</u> |  |                                   |   |                                  |
| Western Redcedar <sup>(4)</sup> | RC                               | 1-5  | <del>((932))</del><br><u>1153</u> |   |                                  |
|                                 |                                  | 9  | <del>((918))</del><br><u>1139</u> |   |                                  |
| Ponderosa Pine <sup>(5)</sup>   | PP                               | 1-5  | <del>((158))</del><br><u>163</u>  |   |                                  |
|                                 |                                  | 9  | <del>((144))</del><br><u>149</u>  |   |                                  |
| Red Alder                       | RA                               | 1-5  | <del>((343))</del><br><u>363</u>  |   |                                  |
|                                 |                                  | 9  | <del>((329))</del><br><u>349</u>  |   |                                  |

Under no circumstances is this proposed rule to be used to determine tax liability and/or exemptions.

| Species Name                             | Species Code | SVA<br>(Stumpage Value Area) | Stumpage Values         |
|--|--------------|------------------------------|-------------------------|
| Black Cottonwood                         | BC           | 1-5                          | ((+))<br><u>19</u>      |
|  |              | 9                            | ((+))<br><u>5</u>       |
| Other Hardwood                           | OH           | 1-5                          | ((159))<br><u>123</u>   |
|  |              | 9                            | ((145))<br><u>109</u>   |
| Douglas-fir Poles & Piles                | DFL          | 1-5                          | ((798))<br><u>811</u>   |
|  |              | 9                            | ((784))<br><u>797</u>   |
| Western Redcedar Poles                   | RCL          | 1-5                          | ((1459))<br><u>1724</u> |
|  |              | 9                            | ((1445))<br><u>1710</u> |
| Chipwood <sup>(6)</sup>                  | CHW          | 1-5                          | ((5))<br><u>1</u>       |
|  |              | 9                            | ((3))<br><u>1</u>       |
| RC Shake & Shingle Blocks <sup>(7)</sup> | RCS          | 1-9                          | 301                     |
| Posts <sup>(8)</sup>                     | LPP          | 1-9                          | 0.35                    |
| DF Christmas Trees <sup>(9)</sup>        | DFX          | 1-9                          | 0.25                    |
| Other Christmas Trees <sup>(9)</sup>     | TFX          | 1-9                          | 0.50                    |

- (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, or any other conifer not listed on this page.
- (4) Includes Alaska-Cedar.
- (5) Includes all Pines in SVA 1-5 & 9.
- (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.

**Washington State Department of Revenue**

**EASTERN WASHINGTON STUMPAGE VALUE TABLE**

((January)) July 1 through ((June 30)) December 31,  
2021

Stumpage Values per Thousand Board Feet Net Scribner Log Scale<sup>(1)</sup>  
Starting January 1, 2019, there are no Haul Zone adjustments.

| Species Name               | Species Code | SVA<br>(Stumpage Value Area) | Stumpage Values         |
|----------------------------|--------------|------------------------------|-------------------------|
| Douglas-fir <sup>(2)</sup> | DF           | 6                            | \$((233))<br><u>299</u> |
|                            |              | 7                            | ((247))<br><u>313</u>   |

Under no circumstances is this proposed rule to be used to determine tax liability and/or exemptions.

| Species Name                                     | Species Code | SVA<br>(Stumpage Value Area) | Stumpage Values         |
|--|--------------|------------------------------|-------------------------|
| Western Hemlock and Other Conifer <sup>(3)</sup> | WH           | 6                            | ((204))<br><u>231</u>   |
| Western Redcedar <sup>(4)</sup>                  | RC           | 6                            | ((704))<br><u>945</u>   |
|  |              | 7                            | ((718))<br><u>959</u>   |
| Ponderosa Pine <sup>(5)</sup>                    | PP           | 6                            | ((144))<br><u>149</u>   |
|  |              | 7                            | ((158))<br><u>163</u>   |
| Other Hardwood                                   | OH           | 6                            | ((4))<br><u>1</u>       |
|  |              | 7                            | ((18))<br><u>9</u>      |
| Western Redcedar Poles                           | RCL          | 6                            | ((1442))<br><u>1594</u> |
|  |              | 7                            | ((1456))<br><u>1608</u> |
| Chipwood <sup>(6)</sup>                          | CHW          | 6                            | 1                       |
|  |              | 7                            | ((2)) 1                 |
| Small Logs <sup>(6)</sup>                        | SML          | 6                            | ((16))<br><u>20</u>     |
|  |              | 7                            | ((18))<br><u>22</u>     |
| RC Shake & Shingle Blocks <sup>(7)</sup>         | RCS          | 6-7                          | 301                     |
| Posts <sup>(8)</sup>                             | LPP          | 6-7                          | 0.35                    |
| DF Christmas Trees <sup>(9)</sup>                | DFX          | 6-7                          | 0.25                    |
| Other Christmas Trees <sup>(9)</sup>             | TFX          | 6-7                          | 0.50                    |

(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, and Lodgepole Pine in SVA 6-7, or any other conifer not listed on this table.

(4) Includes Alaska-Cedar.

(5) Includes Western White Pine in SVA 6-7.

(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 ((January 1st)) July 1 through ((June 30)) December 31, 2021:

**TABLE 9—Harvest Adjustment Table**  
**Stumpage Value Areas 1, 2, 3, 4, 5, and 9**  
 ((January)) July 1 through ((June 30)) December 31,  
 2021

| Type of Adjustment            | Definition   | Dollar Adjustment Per Thousand Board Feet Net Scribner Scale |
|-------------------------------|--|--|
| <b>I. Volume per acre</b>     |  |  |
| 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   |
| Class 3                       | Harvest of less than 10 thousand board feet per acre.  | -\$35.00   |
| <b>II. Logging conditions</b> |  |  |
| Class 1                       | Ground based logging a majority of the unit using tracked or wheeled equipment or draft animals. | \$0.00   |

Under no circumstances is this proposed rule to be used to determine tax liability and/or exemptions.

| Type of Adjustment             | Definition   | Dollar Adjustment Per Thousand Board Feet Net Scribner Scale |
|--------------------------------|--|--|
| Class 2                        | Logging a majority of the unit: Using an overhead system of winch-driven cables and/or logging on slopes greater than 45% using tracked or wheeled equipment supported by winch-driven cables. | -\$85.00   |
| Class 3                        | Applies to logs yarded from stump to landing by helicopter. This does not apply to special forest products.  | -\$200.00  |
| 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 Areas 6 and 7**

((January)) July 1 through ((June 30)) December 31, 2021

| 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.  | -\$85.00   |
| Class 4                        | Applies to logs yarded from stump to landing by helicopter. This does not apply to special forest products.   | -\$200.00  |
| 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:                                       | \$0.00   |
| 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.