



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

August 21, 2015

Hazardous Substance Tax exemption for agricultural crop protection products

You may be able to take an exemption from the Hazardous Substance Tax if you have possession of agricultural crop protection products that are warehoused, but not used or sold, in Washington. (Engrossed Substitute Senate Bill [\(ESSB\) 6057 Part XIX; Chapter 6](#), Laws of 2015).

Effective date

September 1, 2015.

Exemption explained

The law provides an exemption from the hazardous substance tax for possession of any substance that is:

- A pesticide as defined in [RCW 82.21.020\(1\)\(c\)](#);
- Solely for use by a farmer or certified applicator as an agricultural crop protection product;
- Warehoused in Washington, or transported to or from Washington; and
- Not otherwise used, manufactured, packaged for sale or sold in Washington.

How you can get or claim the exemption

If you claim this exemption, you must continue to report your full gross amount (wholesale value of items subject to the tax) on the excise tax return under the Hazardous Substance classification. Then, you need to take a deduction under Crop Protection Products for the amount (wholesale value) that is exempt from taxes.

You need to file an Annual Tax Performance Report

If you claim this exemption, you need to complete an Annual Tax Performance Report by May 31 of the year after you claimed the exemption. You need to file this online. To file, go to our website at www.dor.wa.gov and login to *My Account*. If you don't have an online account with our department, click on *Join Now* and follow the prompts. Once you're logged in, click on *Credits & Tax Incentives*. Then click on *File Tax*

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Performance Report and complete the survey.

Definitions:

Agricultural crop protection product: The term means a chemical regulated under the federal insecticide, fungicide, and rodenticide act when used to prevent, destroy, repel, mitigate, or control predators, diseases, weeds, or other pests.

Agricultural product: Means any product of plant cultivation or animal husbandry including, but not limited to: A product of horticulture, grain cultivation, vermiculture, viticulture, or aquaculture as defined in [RCW 15.85.020](#); plantation Christmas trees; short-rotation hardwoods as defined in [RCW 84.33.035](#); turf; or any animal including but not limited to an animal that is a private sector cultured aquatic product as defined in [RCW 15.85.020](#), or a bird, or insect, or the substances obtained from such an animal. "Agricultural product" does not include marijuana, useable marijuana, or marijuana-infused products, or animals defined as pet animals under [RCW 16.70.020](#). ([RCW 82.04.213](#))

Certified applicator: Means any individual who is licensed as a commercial pesticide applicator, commercial pesticide operator, public operator, private-commercial applicator, demonstration and research applicator, private applicator, limited private applicator, rancher private applicator, or any other individual who is certified by the director to use or supervise the use of any pesticide which is classified by the EPA or the director as a restricted use pesticide. ([RCW 17.21.020](#))

Farmer: Means any person engaged in the business of growing, raising, or producing, upon the person's own lands or upon the lands in which the person has a present right of possession, any agricultural product to be sold. "Farmer" does not include a person growing, raising, or producing such products for the person's own consumption; a person selling any animal or substance obtained therefrom in connection with the person's business of operating a stockyard or a slaughter or packing house; or a person in respect to the business of taking, cultivating, or raising timber. ([RCW 82.04.213](#))

Manufacturing of crop protection products: For the purposes of this law, the term "manufacturing" includes mixing or combining agricultural crop protection products with other chemicals or other agricultural crop protection products.

Packaging for sale: The term includes transferring agricultural crop protection products from one container to another, including the transfer of fumigants and other liquid or gaseous chemicals from one tank to another.

For more information

- Visit our website at: www.dor.wa.gov
- Email us at DorCommunications@dor.wa.gov
- Call us at 360-705-6705.

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