

---

HOUSE BILL 2446

---

State of Washington                      52nd Legislature                      1992 Regular Session

By Representatives Wang and Anderson; by request of Governor Gardner

Read first time 01/16/92. Referred to Committee on Revenue.

1            AN ACT Relating to excise taxes on certain gambling activities;  
2 amending RCW 82.04.290; adding a new section to chapter 82.04 RCW;  
3 providing an effective date; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 82.04 RCW  
6 to read as follows:

7            (1) Upon every person required to be licensed by the gambling  
8 commission, engaging within this state in the business of certain  
9 gambling activities utilizing or conducting punch boards, pull-tabs,  
10 and social card games as defined in this section; upon such persons the  
11 tax imposed shall be equal to the gross proceeds from the conduct of  
12 such activities or the gross receipts of sales multiplied by the rate  
13 of three percent. No deduction from gross proceeds or gross receipts  
14 is allowed for any amounts paid out for or as prizes.

1 (2) For the purposes of this section:

2 (a) "Punch boards" and "pull-tabs" have the meaning given in RCW  
3 9.46.0273; and

4 (b) "Social card game" has the meaning given in RCW 9.46.0281.

5 (3) Punch boards, pull-tabs, or social card games in which the  
6 prize is merchandise shall not be considered a retailing activity or a  
7 retail sale of the merchandise prize to the player for purposes of this  
8 chapter and chapter 82.08 RCW.

9 (4) To facilitate collection of the taxes imposed and for other  
10 official purposes, the department is authorized to provide information  
11 to and receive information from the gambling commission and to  
12 cooperate with the commission in the administration of these taxes.

13 (5) After June 30, 1993, eighty-three percent of the proceeds of  
14 the tax imposed by this section shall be deposited into the budget  
15 stabilization account created in RCW 43.88.020.

16 **Sec. 2.** RCW 82.04.290 and 1985 c 32 s 3 are each amended to read  
17 as follows:

18 Upon every person engaging within this state in any business  
19 activity other than or in addition to those enumerated in RCW  
20 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270,  
21 section 1 of this act, and 82.04.280; as to such persons the amount of  
22 tax on account of such activities shall be equal to the gross income of  
23 the business multiplied by the rate of 1.50 percent. This section  
24 includes, among others, and without limiting the scope hereof (whether  
25 or not title to materials used in the performance of such business  
26 passes to another by accession, confusion or other than by outright  
27 sale), persons engaged in the business of rendering any type of service  
28 which does not constitute a "sale at retail" or a "sale at wholesale."  
29 The value of advertising, demonstration, and promotional supplies and

1 materials furnished to an agent by his principal or supplier to be used  
2 for informational, educational and promotional purposes shall not be  
3 considered a part of the agent's remuneration or commission and shall  
4 not be subject to taxation under this section.

5 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
6 preservation of the public peace, health, or safety, or support of the  
7 state government and its existing public institutions, and shall take  
8 effect June 1, 1992.