
SUBSTITUTE SENATE BILL 6442

State of Washington

55th Legislature

1998 Regular Session

By Senate Committee on Financial Institutions, Insurance & Housing (originally sponsored by Senators Franklin, Winsley, Loveland, Fairley, Prentice, Thibaudeau, Kohl, Kline, Snyder, Heavey, Schow, T. Sheldon, Patterson, Rasmussen, Goings, Hargrove, McAuliffe, Spanel and B. Sheldon)

Read first time 02/05/98.

1 AN ACT Relating to low-cost housing for low-income buyers; adding
2 a new section to chapter 82.04 RCW; adding a new section to chapter
3 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new
4 section to chapter 82.45 RCW; and adding a new section to chapter 82.46
5 RCW.

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

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

9 (1) There is credited against the tax imposed under this chapter,
10 twenty-five percent of the value donated for the provision in this
11 state of low-cost housing to low-income buyers. The donation must be
12 made to a nonprofit organization that devotes a majority of its
13 resources to the development, rehabilitation, or preservation of
14 affordable housing. The department shall make available to prospective
15 donors a list of nonprofit organizations that qualify as nonprofit
16 organizations devoting a majority of their resources to housing
17 construction.

18 (2) For the purpose of this section "affordable housing" has the
19 same meaning as provided in RCW 43.185A.010.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
2 to read as follows:

3 (1) The tax levied by RCW 82.08.020 does not apply to sales of
4 construction materials or charges made for labor and services used in
5 the construction of a unit of low-cost housing, but only if the buyer
6 provides the seller with an exemption certificate in a form and manner
7 prescribed by the department by rule.

8 (2) In making rules to implement this section the department shall
9 require that the tax shall be immediately due and payable together with
10 interest and penalties if the unit of low-cost housing being
11 constructed is not sold to a low-income buyer by the seller who has
12 claimed the exemption.

13 (3) For the purpose of this section:

14 (a) "Low-cost housing" means housing that has a listed sales price
15 of no more than two-thirds the median sales price for homes in the
16 county where the housing is located, adjusted annually.

17 (b) "Low-income buyer" means a buyer who has an income of no more
18 than eighty percent of the median family income, adjusted for household
19 size, for the county where the house is located.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
21 to read as follows:

22 (1) The provisions of this chapter do not apply to the use of
23 construction materials or labor and services used in the construction
24 of a unit of low-cost housing, but only if the buyer provides the
25 seller with an exemption certificate in a form and manner prescribed by
26 the department by rule.

27 (2) In making rules to implement this section the department shall
28 require that the tax shall be immediately due and payable together with
29 interest and penalties if the unit of low-cost housing being
30 constructed is not sold to a low-income buyer by the seller who has
31 claimed the exemption.

32 (3) For the purpose of this section:

33 (a) "Low-cost housing" means housing that has a listed sales price
34 of no more than two-thirds the median sales price for homes in the
35 county where the housing is located, adjusted annually.

36 (b) "Low-income buyer" means a buyer who has an income of no more
37 than eighty percent of the median family income, adjusted for household
38 size, for the county where the house is located.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.45 RCW
2 to read as follows:

3 (1) A tax imposed under this chapter does not apply to sales of
4 low-cost housing to low-income buyers.

5 (2) For the purpose of this section:

6 (a) "Low-cost housing" means housing that has a listed sales price
7 of no more than two-thirds the median sales price for homes in the
8 county where the housing is located, adjusted annually.

9 (b) "Low-income buyer" means a buyer who has an income of no more
10 than eighty percent of the median family income, adjusted for household
11 size, for the county where the house is located.

12 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.46 RCW
13 to read as follows:

14 (1) A tax imposed under this chapter does not apply to sales of
15 low-cost housing to low-income buyers.

16 (2) For the purpose of this section:

17 (a) "Low-cost housing" means housing that has a listed sales price
18 of no more than two-thirds the median sales price for homes in the
19 county where the housing is located, adjusted annually.

20 (b) "Low-income buyer" means a buyer who has an income of no more
21 than eighty percent of the median family income, adjusted for household
22 size, for the county where the house is located.

23 NEW SECTION. **Sec. 6.** If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

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