
SUBSTITUTE SENATE BILL 6447

State of Washington

55th Legislature

1998 Regular Session

By Senate Committee on Higher Education (originally sponsored by Senators Kohl, Winsley, Anderson, Hale, Spanel, Brown, Jacobsen, T. Sheldon, Goings, Snyder and B. Sheldon; by request of Governor Locke)

Read first time 02/06/98.

1 AN ACT Relating to tax exemption from the state share of labor and
2 services on higher education facility construction; amending RCW
3 81.104.170; adding new sections to chapter 82.08 RCW; adding a new
4 section to chapter 82.14 RCW; adding a new section to chapter 82.12
5 RCW; adding a new section to chapter 82.32 RCW; creating a new section;
6 and providing an effective date.

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

8 NEW SECTION. **Sec. 1.** It is the legislature's intent to provide to
9 the state institutions of higher education a partial exemption from the
10 state share of the retail sales tax related to construction of
11 facilities. The partial exemption is intended to represent the amount
12 of the contract cost that is typically spent on labor and services.

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

15 The tax levied by RCW 82.08.020 does not apply to fifty percent of
16 the selling price in the case of sales of or charges made for either
17 tangible personal property consumed or labor and services rendered, or
18 both, in respect to land clearing, earth moving, site preparation,

1 constructing, repairing, decorating, renovating, expanding, or
2 improving of new or existing buildings, structures, or facilities or
3 any other improvement, under, upon, or above real property of or for an
4 institution of higher education, as defined in RCW 28B.10.016.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.14 RCW
6 to read as follows:

7 The exemption in section 2 of this act is for the state portion of
8 the sales tax and does not extend to the tax imposed in this chapter.

9 **Sec. 4.** RCW 81.104.170 and 1997 c 450 s 5 are each amended to read
10 as follows:

11 Cities that operate transit systems, county transportation
12 authorities, metropolitan municipal corporations, public transportation
13 benefit areas, and regional transit authorities may submit an
14 authorizing proposition to the voters and if approved by a majority of
15 persons voting, fix and impose a sales and use tax in accordance with
16 the terms of this chapter, solely for the purpose of providing high
17 capacity transportation service.

18 The tax authorized pursuant to this section shall be in addition to
19 the tax authorized by RCW 82.14.030 and shall be collected from those
20 persons who are taxable by the state pursuant to chapters 82.08 and
21 82.12 RCW upon the occurrence of any taxable event within the taxing
22 district. The maximum rate of such tax shall be approved by the voters
23 and shall not exceed one percent of the selling price (in the case of
24 a sales tax) or value of the article used (in the case of a use tax).
25 The maximum rate of such tax that may be imposed shall not exceed
26 nine-tenths of one percent in any county that imposes a tax under RCW
27 82.14.340, or within a regional transit authority if any county within
28 the authority imposes a tax under RCW 82.14.340. The exemptions in RCW
29 82.08.820 and 82.12.820 are for the state portion of the sales and use
30 tax and do not extend to the tax authorized in this section.

31 The exemption in section 2 of this act is for the state portion of
32 the sales tax and does not extend to the tax imposed in this chapter.

33 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.08 RCW
34 to read as follows:

35 A person who is engaged in the business of building, constructing,
36 repairing, decorating, or improving a new or existing street, place,

1 road, highway, easement, right of way, mass public transportation
2 terminal or parking facility, bridge, tunnel, or trestle, or new or
3 existing buildings or other structures, under, upon, or above real
4 property of or for the United States, any instrumentality thereof, or
5 a county or city housing authority created under chapter 35.82 RCW
6 shall pay the lesser of: (1) Sales and use tax imposed as a consumer
7 of tangible personal property of which the person is a consumer as
8 defined in RCW 82.04.190 (4) or (6); or (2) the amount of tax that
9 would be due from the buyer if the transaction were partially exempt
10 under section 2 of this act.

11 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.12 RCW
12 to read as follows:

13 A person who is engaged in the business of building, constructing,
14 repairing, decorating, or improving a new or existing street, place,
15 road, highway, easement, right of way, mass public transportation
16 terminal or parking facility, bridge, tunnel, or trestle, or new or
17 existing buildings or other structures, under, upon, or above real
18 property of or for the United States, any instrumentality thereof, or
19 a county or city housing authority created under chapter 35.82 RCW
20 shall report tax imposed under this chapter on the basis of section 5
21 of this act. Use tax is due under this chapter unless the taxpayer
22 pays under section 5(2) of this act.

23 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.32 RCW
24 to read as follows:

25 The department may develop and institute a tax reporting method
26 whereby the taxpayer uses deductions, credits, or other accounting
27 techniques, as directed by the department, to allow the department to
28 administer, and the taxpayer to report, tax as affected by chapter
29 . . ., Laws of 1998 (this act) simply and efficiently. Taxpayers and
30 sellers affected by chapter . . ., Laws of 1998 (this act) shall keep
31 their records in a form and manner as directed by the department so
32 that the department can distinguish between taxable and exempt
33 transactions.

34 NEW SECTION. **Sec. 8.** This act takes effect July 1, 1998.

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