

1722-S

Sponsor(s): House Committee on Finance (originally sponsored by Representatives Gombosky and Cairnes)

Brief Description: Limiting the taxability of certain internet transactions.

HB 1722-S - DIGEST

(DIGEST AS ENACTED)

Revises provisions relating to the taxability of persons with limited connections to Washington.

Declares an intent to exempt from business and occupation tax and to relieve from the obligation to collect sales and use tax from certain sellers with very limited connections to Washington. These sellers are currently relieved from the obligation to collect sales and use tax because of the provisions of the federal internet tax freedom act. The legislature intends to continue to relieve these particular sellers from that obligation in the event that the federal internet tax freedom act is not extended.

Pertains to a person making sales in Washington if: (1) The person's activities in this state, whether conducted directly or through another person, are limited to: (a) The storage, dissemination, or display of advertising; (b) the taking of orders; or (c) the processing of payments; and

(2) The activities are conducted electronically via a web site on a server or other computer equipment located in Washington that is not owned or operated by the person making sales into this state nor owned or operated by an affiliated person.

Expires when: (1) The United States congress grants individual states the authority to impose sales and use tax collection duties on remote sellers; or

(2) It is determined by a court of competent jurisdiction, in a judgment not subject to review, that a state can impose sales and use tax collection duties on remote sellers.