
HOUSE BILL 2190

State of Washington 60th Legislature 2007 Regular Session

By Representatives Ericksen, Rodne and Schindler

Read first time 02/13/2007. Referred to Committee on Transportation.

1 AN ACT Relating to tax incentives to encourage construction of
2 freight rail improvements; adding a new section to chapter 82.08 RCW;
3 adding a new section to chapter 82.12 RCW; adding a new section to
4 chapter 84.36 RCW; creating new sections; and providing an effective
5 date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that creating
8 partnerships between private and public sector organizations can most
9 effectively use available resources for the benefit of the citizens of
10 the state. The legislature intends to encourage and promote private
11 sector investment in the freight rail system by creating tax incentives
12 to support construction of critical freight rail connections and
13 improvements.

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

16 (1) The tax levied by RCW 82.08.020 does not apply to sales of
17 tangible personal property for, and labor and services rendered in
18 respect to, an eligible investment project.

1 (2) A person taking the exemption under this section must keep
2 records necessary for the department to verify eligibility under this
3 section. The exemption is available only when the buyer provides the
4 seller with an exemption certificate in a form and manner prescribed by
5 the department. The seller shall retain a copy of the certificate for
6 the seller's files.

7 (3) For the purposes of this section, "eligible investment project"
8 means construction of a new tunnel on Stampede Pass for the purpose of
9 facilitating additional freight rail container movements.

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

12 The provisions of this chapter do not apply with respect to the use
13 of tangible personal property and labor and services for an eligible
14 investment project, as defined in section 2 of this act.

15 NEW SECTION. **Sec. 4.** A new section is added to chapter 84.36 RCW
16 to read as follows:

17 (1) All machinery, equipment, and other personal property which is
18 used primarily for the construction of an eligible investment project
19 is exempt from property taxation for the twenty assessment years
20 following the date on which the construction is complete or the new
21 freight rail tunnel becomes operational.

22 (2) Claims for exemptions authorized by this section shall be filed
23 with the county assessor on forms prescribed by the department and
24 furnished by the assessor. Once filed, the exemption is valid for
25 twenty years and may not be renewed. The assessor shall verify and
26 approve claims as the assessor determines to be justified and in
27 accordance with this section.

28 (3) The department may adopt rules, pursuant to chapter 34.05 RCW,
29 as necessary to properly administer this section.

30 (4) For the purposes of this section, "eligible investment project"
31 means construction of a new tunnel on Stampede Pass for the purpose of
32 facilitating additional freight rail container movements.

33 NEW SECTION. **Sec. 5.** Section 4 of this act applies to taxes

1 levied for collection in 2008 and thereafter.

2 NEW SECTION. **Sec. 6.** This act takes effect August 1, 2007.

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