
HOUSE BILL 2671

State of Washington 60th Legislature 2008 Regular Session

By Representatives Sells, Chase, Morrell, Dunn, Simpson, and Llias

Read first time 01/15/08. Referred to Committee on Finance.

1 AN ACT Relating to a sales and use tax exemption for materials and
2 services related to the construction of affordable housing; adding a
3 new section to chapter 82.08 RCW; and adding a new section to chapter
4 82.12 RCW.

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

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

8 (1) The tax imposed by RCW 82.08.020 does not apply to sales of
9 tangible personal property or labor and services to a limited liability
10 company, or other company, for the constructing of housing if the
11 company has received a commitment of funding to pay for the property,
12 services, or homeowner purchase assistance in whole or in part, from:

13 (a) A federal or state housing program administered by the
14 department of community, trade, and economic development; or

15 (b) A federal, state, or local housing program administered by a
16 city, town, county, other political subdivision, tribe, or housing
17 authority.

18 (2) The exemption is available only when the buyer provides the
19 seller with an exemption certificate in a form and manner prescribed by

1 the department. The seller shall retain a copy of the certificate for
2 the seller's files. The buyer shall keep records necessary for the
3 department to verify eligibility.

4 (3) A city, county, or other political subdivision of the state may
5 require a company exempt from tax under this section or section 2 of
6 this act to make payments to the city, county, or other political
7 subdivision for improvements, services, and facilities furnished by the
8 city, county, or political subdivision for the benefit of housing for
9 which the construction of the housing is subject to the exemption under
10 this section or section 2 of this act. However, these payments may not
11 exceed the amount that would have otherwise been distributed to the
12 city, county, or political subdivision if not for the tax exemption
13 under this section or section 2 of this act.

14 (4) For the purposes of this section and section 2 of this act,
15 "constructing" includes improvements associated with the acquisition of
16 existing buildings.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW
18 to read as follows:

19 The provisions of this chapter do not apply to the use of tangible
20 personal property or labor and services by a limited liability company,
21 or other company, for the constructing of housing if the company meets
22 any of the conditions under section 1(1) of this act.

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