
SENATE BILL 5967

State of Washington 60th Legislature 2007 Regular Session

By Senators Pridemore, Zarelli, Berkey, Schoesler, Eide, Marr, Parlette, Sheldon, Tom, Hobbs, Carrell, Hatfield, Honeyford, Roach, Shin and Benton

Read first time 02/09/2007. Referred to Committee on Ways & Means.

1 AN ACT Relating to the sales of vehicles and associated services to
2 nonresidents of Washington; amending RCW 82.08.0264 and 82.08.0273; and
3 prescribing penalties.

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

5 **Sec. 1.** RCW 82.08.0264 and 1980 c 37 s 31 are each amended to read
6 as follows:

7 (1) The tax levied by RCW 82.08.020 (~~shall~~) does not apply to
8 sales of motor vehicles, trailers, or campers to nonresidents of this
9 state for use outside of this state, even (~~though~~) when delivery
10 (~~be~~) is made within this state, but only (~~when (1)~~) if:

11 (a) The motor vehicles, trailers, or campers will be taken from the
12 point of delivery in this state directly to a point outside this state
13 under the authority of a (~~one-transit~~) vehicle trip permit issued by
14 the (~~director~~) department of licensing pursuant to the provisions of
15 RCW 46.16.160, or any agency of another state that has authority to
16 issue similar permits; or

17 (~~(2) said~~) (b) The motor vehicles, trailers, or campers will be
18 registered and licensed immediately under the laws of the state of the

1 purchaser's residence, will not be used in this state more than three
2 months, and will not be required to be registered and licensed under
3 the laws of this state.

4 (2) For the purposes of this section, the seller of a motor
5 vehicle, trailer, or camper is not required to collect and shall not be
6 found liable for the tax levied by RCW 82.08.020 on the sale if the tax
7 is not collected and the seller retains the following documents:

8 (a) A copy of the buyer's currently valid out-of-state driver's
9 license;

10 (b) A copy of any one of the following documents, on which there is
11 an out-of-state address for the buyer:

12 (i) A current residential rental agreement;

13 (ii) A property tax statement from the current or previous year;

14 (iii) A utility bill, dated within the previous two months;

15 (iv) A state income tax return from the previous year;

16 (v) A voter registration card;

17 (vi) A current credit report; or

18 (vii) Any other document determined by the director to be
19 acceptable; and

20 (c) A notarized affidavit in the form designated by the department,
21 signed by the buyer, and stating that the buyer's purchase meets the
22 requirements of this section.

23 (3) If the department has information indicating the buyer is a
24 Washington resident, the director may contact the buyer to verify their
25 eligibility for the exemption provided under this section.

26 (4)(a) Any person making fraudulent statements, which includes the
27 offer of fraudulent identification or fraudulently procured
28 identification to a seller, in order to purchase a motor vehicle,
29 trailer, or camper without paying retail sales tax is guilty of perjury
30 under chapter 9A.72 RCW.

31 (b) Any person making tax exempt purchases under this section by
32 displaying proof of identification not his or her own, or counterfeit
33 identification, with intent to violate the provisions of this section,
34 is guilty of a misdemeanor and, in addition, is liable for the tax and
35 subject to a penalty equal to the greater of one hundred dollars or the
36 tax due on such purchases.

37 (5)(a) Any seller that makes sales without collecting the tax to a
38 person who does not provide the documents required under subsection (2)

1 of this section, and any seller who fails to retain the documents
2 required under subsection (2) of this section, is personally liable for
3 the amount of tax due.

4 (b) Any seller that makes sales without collecting the retail sales
5 tax under this section and who has actual knowledge that the buyer's
6 documentation required by subsection (2) of this section is fraudulent
7 is guilty of a misdemeanor and, in addition, is liable for the tax and
8 subject to a penalty equal to the greater of one thousand dollars or
9 the tax due on such sales. In addition, both the buyer and the seller
10 are liable for any penalties and interest assessable under chapter
11 82.32 RCW.

12 **Sec. 2.** RCW 82.08.0273 and 2003 c 53 s 399 are each amended to
13 read as follows:

14 (1) The tax levied by RCW 82.08.020 shall not apply to sales to
15 nonresidents of this state of:

- 16 (a) Tangible personal property;
17 (b) Replacement parts for motor vehicles, trailers, or campers; or
18 (c) The installation of replacement parts for motor vehicles,
19 trailers, or campers, as provided in subsection (2) of this section, if
20 the tangible personal property or replacement parts are for use outside
21 this state when the purchaser (~~((a))~~) (i) is a bona fide resident of a
22 state or possession or Province of Canada other than the state of
23 Washington and such state, possession, or Province of Canada does not
24 impose a retail sales tax or use tax of three percent or more or, if
25 imposing such a tax, permits Washington residents exemption from
26 otherwise taxable sales by reason of their residence, and (~~((b))~~) (ii)
27 agrees, when requested, to grant the department of revenue access to
28 such records and other forms of verification at his or her place of
29 residence to assure that such purchases are not first used
30 substantially in the state of Washington.

31 (2) Notwithstanding anything to the contrary in this chapter, if
32 replacement parts are installed by the seller during the course of
33 repairing, cleaning, altering, or improving motor vehicles, trailers,
34 or campers and the seller makes a separate charge for the parts, the
35 tax levied by RCW 82.08.020 does not apply to the separately stated
36 charge to an eligible nonresident purchaser for replacement parts but
37 only if the separately stated charge does not exceed either the

1 seller's current publicly stated retail price for the parts or, if no
2 separately stated retail price is available, the seller's cost for the
3 parts. However, the exemption provided by this section may not apply
4 if replacement parts are installed by the seller during the course of
5 repairing, cleaning, altering, or improving motor vehicles, trailers,
6 or campers and the seller makes a single nonitemized charge for
7 providing the parts and service.

8 (3)(a) Any person claiming exemption from retail sales tax under
9 the provisions of this section must display proof of his or her current
10 nonresident status as (~~herein~~) provided in this section.

11 (b) Acceptable proof of a nonresident person's status shall include
12 one piece of identification such as a valid driver's license from the
13 jurisdiction in which the out-of-state residency is claimed or a valid
14 identification card which has a photograph of the holder and is issued
15 by the out-of-state jurisdiction. Identification under this subsection
16 (~~(2)~~) (3)(b) must show the holder's residential address and have as
17 one of its legal purposes the establishment of residency in that out-
18 of-state jurisdiction.

19 (~~(3)~~) (4) Nothing in this section requires the vendor to make tax
20 exempt retail sales to nonresidents. A vendor may choose to make sales
21 to nonresidents, collect the sales tax, and remit the amount of sales
22 tax collected to the state as otherwise provided by law. If the vendor
23 chooses to make a sale to a nonresident without collecting the sales
24 tax, the vendor shall, in good faith, examine the proof of
25 nonresidence, determine whether the proof is acceptable under
26 subsection (~~(2)~~) (3)(b) of this section, and maintain records for
27 each nontaxable sale which shall show the type of proof accepted,
28 including any identification numbers where appropriate, and the
29 expiration date, if any.

30 (~~(4)~~) (5)(a) Any person making fraudulent statements, which
31 includes the offer of fraudulent identification or fraudulently
32 procured identification to a vendor, in order to purchase goods without
33 paying retail sales tax is guilty of perjury under chapter 9A.72 RCW.

34 (b) Any person making tax exempt purchases under this section by
35 displaying proof of identification not his or her own, or counterfeit
36 identification, with intent to violate the provisions of this section,
37 is guilty of a misdemeanor and, in addition, shall be liable for the

1 tax and subject to a penalty equal to the greater of one hundred
2 dollars or the tax due on such purchases.

3 ~~((5))~~ (6)(a) Any vendor who makes sales without collecting the
4 tax to a person who does not hold valid identification establishing
5 out-of-state residency, and any vendor who fails to maintain records of
6 sales to nonresidents as provided in this section, shall be personally
7 liable for the amount of tax due.

8 (b) Any vendor who makes sales without collecting the retail sales
9 tax under this section and who has actual knowledge that the
10 purchaser's proof of identification establishing out-of-state residency
11 is fraudulent is guilty of a misdemeanor and, in addition, shall be
12 liable for the tax and subject to a penalty equal to the greater of one
13 thousand dollars or the tax due on such sales. In addition, both the
14 purchaser and the vendor shall be liable for any penalties and interest
15 assessable under chapter 82.32 RCW.

16 (7) For the purposes of this section, "replacement parts" means
17 those parts that replace an existing part, or which are essential to
18 maintain the working condition, of a piece of qualifying motor
19 vehicles, trailers, or campers. However, "replacement parts" may not
20 include paint, fuel, oil, grease, hydraulic fluids, antifreeze, and
21 similar items.

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