S-1319.1

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**SUBSTITUTE SENATE BILL 5313**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Senate Early Learning & K-12 Education (originally sponsored by Senators Fain, Billig, Hasegawa, Keiser, Zeiger, Carlyle, Mullet, and Pedersen)

AN ACT Relating to the funding of civics education and campaign compliance; amending RCW 82.04.4282; and adding a new section to chapter 82.32 RCW.

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

**Sec.**  RCW 82.04.4282 and 2009 c 535 s 410 are each amended to read as follows:

(1) In computing tax there may be deducted from the measure of tax amounts derived from bona fide ((~~(1)~~)) (a) initiation fees, ((~~(2)~~)) (b) dues, ((~~(3)~~)) (c) contributions, ((~~(4)~~)) (d) donations, ((~~(5)~~)) (e) tuition fees, ((~~(6)~~)) (f) charges made by a nonprofit trade or professional organization for attending or occupying space at a trade show, convention, or educational seminar sponsored by the nonprofit trade or professional organization, which trade show, convention, or educational seminar is not open to the general public, ((~~(7)~~)) (g) charges made for operation of privately operated kindergartens, and ((~~(8)~~)) (h) endowment funds.

(2) This section may not be construed to exempt any person, association, or society from tax liability upon selling tangible personal property, digital goods, digital codes, or digital automated services, or upon providing facilities or other services for which a special charge is made to members or others. If dues are in exchange for any significant amount of goods or services rendered by the recipient thereof to members without any additional charge to the member, or if the dues are graduated upon the amount of goods or services rendered, the value of such goods or services ((~~shall~~)) may not be considered as a deduction under this section.

(3)(a) The deduction in this section does not apply to donations or contributions received by a candidate, political committee, caucus political committee, or bona fide political party or any other person having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or ballot proposition.

(b) The definitions in RCW 42.17A.005 apply to this subsection.

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

(1) In March of each year, the department must estimate the amount of revenue derived from the exception in RCW 82.04.4282(3) and notify the secretary of state and the public disclosure commission of the amount of such revenue to be expended as provided in subsection (2) of this section.

(2) Each fiscal year, the amount of revenue identified in section 2 of this act must be appropriated by the legislature:

(a) To the secretary of state for the purpose of contracting with a nonprofit organization to develop and implement a civics curricular program for middle, secondary, and postsecondary students and adult groups that promotes competent and responsible participation in local and state government; and

(b) To the public disclosure commission for purposes of developing and improving compliance systems and investigations.

**--- END ---**