
ENGROSSED SUBSTITUTE HOUSE BILL 1862

State of Washington

68th Legislature

2024 Regular Session

By House Finance (originally sponsored by Representatives Leavitt, Barnard, Tharinger, Graham, Couture, Duerr, Barkis, Bronoske, Slatter, Chapman, Simmons, Jacobsen, Timmons, Callan, Street, Sandlin, Donaghy, Doglio, Goodman, Caldier, Robertson, Hutchins, Reeves, Lekanoff, Riccelli, Hackney, Pollet, and Shavers)

READ FIRST TIME 01/22/24.

1 AN ACT Relating to providing tax exemptions for the assistance of
2 disabled veterans and members of the armed forces of the United
3 States of America; adding a new section to chapter 82.04 RCW; adding
4 a new section to chapter 82.08 RCW; adding a new section to chapter
5 82.12 RCW; creating a new section; providing an effective date; and
6 providing expiration dates.

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

8 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
9 performance statement for the tax preference contained in sections 2
10 through 4, chapter . . ., Laws of 2024 (sections 2 through 4 of this
11 act). This performance statement is only intended to be used for
12 subsequent evaluation of the tax preference. It is not intended to
13 create a private right of action by any party or to be used to
14 determine eligibility for preferential tax treatment.

15 (2) The legislature categorizes this tax preference as one
16 intended to provide tax relief for certain businesses or individuals,
17 as indicated in RCW 82.32.808(2)(e).

18 (3) It is the legislature's specific public policy objective to
19 reduce the tax burden on individuals and businesses imposed by the
20 existing business and occupation tax rates.

1 (4) If the review finds that there is an increase of the
2 utilization of adaptive recreational and rehabilitation facilities by
3 disabled veterans and members of the armed forces of the United
4 States of America then the legislature intends to extend the
5 expiration date of this tax preference.

6 (5) In order to obtain the data necessary to perform the review
7 in subsection (4) of this section, the joint legislative audit and
8 review committee may refer to any data collected by the state.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04
10 RCW to read as follows:

11 (1) This chapter does not apply to any amounts received as the
12 result of sales on a federal military reservation by a nonprofit
13 organization under Title 26 U.S.C. Sec. 501(c)(3) of the federal
14 internal revenue code of 1986, as amended, as of the effective date
15 of this section, that operates an adaptive recreational and
16 rehabilitation facility dedicated to the assistance of disabled
17 veterans and members of the armed forces of the United States of
18 America.

19 (2) For the purposes of this section, "adaptive recreational and
20 rehabilitation facility" means a facility that provides activity
21 modifications, assistive technologies, or other services to allow
22 people with disabilities to participate in recreational activities,
23 sports, or physical rehabilitation efforts.

24 (3) This section expires January 1, 2035.

25 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.08
26 RCW to read as follows:

27 (1) The tax levied by RCW 82.08.020 does not apply to sales made
28 on a federal military reservation by a nonprofit organization under
29 Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code
30 of 1986, as amended, as of the effective date of this section, that
31 operates an adaptive recreational and rehabilitation facility
32 dedicated to the assistance of disabled veterans and members of the
33 armed forces of the United States of America.

34 (2) For the purposes of this section, "adaptive recreational and
35 rehabilitation facility" means a facility that provides activity
36 modifications, assistive technologies, or other services to allow
37 people with disabilities to participate in recreational activities,
38 sports, or physical rehabilitation efforts.

1 (3) This section expires January 1, 2035.

2 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.12
3 RCW to read as follows:

4 (1) The tax levied by RCW 82.12.020 does not apply to the use of
5 tangible personal property purchased on a federal military
6 reservation sold to a disabled veteran or member of the armed forces
7 by a nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3) of
8 the federal internal revenue code of 1986, as amended, as of the
9 effective date of this section, that operates an adaptive
10 recreational and rehabilitation facility dedicated to the assistance
11 of disabled veterans and members of the armed forces of the United
12 States of America.

13 (2) For the purposes of this section, "adaptive recreational and
14 rehabilitation facility" means a facility that provides activity
15 modifications, assistive technologies, or other services to allow
16 people with disabilities to participate in recreational activities,
17 sports, or physical rehabilitation efforts.

18 (3) This section expires January 1, 2035.

19 NEW SECTION. **Sec. 5.** This act takes effect October 1, 2024.

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