

2 **ESHB 2933** - S COMM AMD
3 By Committee on Ways & Means

4 ADOPTED 3/11/98

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
8 to read as follows:

9 (1) Upon every person engaging within this state in the business of
10 warehousing and reselling prescription drugs; as to such persons, the
11 amount of the tax shall be equal to the gross income of the business
12 multiplied by the rate of 0.138 percent.

13 (2) For the purposes of this section:

14 (a) "Prescription drug" has the same meaning as that term is given
15 in RCW 82.08.0281; and

16 (b) "Warehousing and reselling prescription drugs" means the buying
17 of prescription drugs from a manufacturer or another wholesaler, and
18 reselling of the drugs to persons selling at retail or to hospitals,
19 clinics, health care providers, or other providers of health care
20 services, by a wholesaler or retailer who is registered with the
21 federal drug enforcement administration and licensed by the state board
22 of pharmacy.

23 **Sec. 2.** RCW 82.04.270 and 1994 c 124 s 2 are each amended to read
24 as follows:

25 (1) Upon every person except persons taxable under (~~subsections~~
26 ~~(1) or (8) of~~) RCW 82.04.260 (1) or (8) or section 1 of this act
27 engaging within this state in the business of making sales at
28 wholesale; as to such persons the amount of tax with respect to such
29 business shall be equal to the gross proceeds of sales of such business
30 multiplied by the rate of 0.484 percent.

31 (2) The tax imposed by this section is levied and shall be
32 collected from every person engaged in the business of distributing in
33 this state articles of tangible personal property, owned by them from
34 their own warehouse or other central location in this state to two or
35 more of their own retail stores or outlets, where no change of title or

1 ownership occurs, the intent hereof being to impose a tax equal to the
2 wholesaler's tax upon persons performing functions essentially
3 comparable to those of a wholesaler, but not actually making sales.
4 The tax designated in this section may not be assessed twice to the
5 same person for the same article. The amount of the tax as to such
6 persons shall be computed by multiplying 0.484 percent of the value of
7 the article so distributed as of the time of such distribution. The
8 department of revenue shall prescribe uniform and equitable rules for
9 the purpose of ascertaining such value, which value shall correspond as
10 nearly as possible to the gross proceeds from sales at wholesale in
11 this state of similar articles of like quality and character, and in
12 similar quantities by other taxpayers. Delivery trucks or vans will
13 not under the purposes of this section be considered to be retail
14 stores or outlets.

15 **Sec. 3.** RCW 82.04.280 and 1994 c 112 s 1 are each amended to read
16 as follows:

17 Upon every person engaging within this state in the business of:
18 (1) Printing, and of publishing newspapers, periodicals, or magazines;
19 (2) building, repairing or improving any street, place, road, highway,
20 easement, right of way, mass public transportation terminal or parking
21 facility, bridge, tunnel, or trestle which is owned by a municipal
22 corporation or political subdivision of the state or by the United
23 States and which is used or to be used, primarily for foot or vehicular
24 traffic including mass transportation vehicles of any kind and
25 including any readjustment, reconstruction or relocation of the
26 facilities of any public, private or cooperatively owned utility or
27 railroad in the course of such building, repairing or improving, the
28 cost of which readjustment, reconstruction, or relocation, is the
29 responsibility of the public authority whose street, place, road,
30 highway, easement, right of way, mass public transportation terminal or
31 parking facility, bridge, tunnel, or trestle is being built, repaired
32 or improved; (3) extracting for hire or processing for hire; (4)
33 operating a cold storage warehouse or storage warehouse, but not
34 including the rental of cold storage lockers; (5) representing and
35 performing services for fire or casualty insurance companies as an
36 independent resident managing general agent licensed under the
37 provisions of RCW 48.05.310; (6) radio and television broadcasting,
38 excluding network, national and regional advertising computed as a

1 standard deduction based on the national average thereof as annually
2 reported by the Federal Communications Commission, or in lieu thereof
3 by itemization by the individual broadcasting station, and excluding
4 that portion of revenue represented by the out-of-state audience
5 computed as a ratio to the station's total audience as measured by the
6 100 micro-volt signal strength and delivery by wire, if any; (7)
7 engaging in activities which bring a person within the definition of
8 consumer contained in RCW 82.04.190(6); as to such persons, the amount
9 of tax on such business shall be equal to the gross income of the
10 business multiplied by the rate of 0.484 percent.

11 As used in this section, "cold storage warehouse" means a storage
12 warehouse used to store fresh and/or frozen perishable fruits or
13 vegetables, meat, seafood, dairy products, or fowl, or any combination
14 thereof, at a desired temperature to maintain the quality of the
15 product for orderly marketing.

16 As used in this section, "storage warehouse" means a building or
17 structure, or any part thereof, in which goods, wares, or merchandise
18 are received for storage for compensation, except field warehouses,
19 fruit warehouses, fruit packing plants, warehouses licensed under
20 chapter 22.09 RCW, public garages storing automobiles, railroad freight
21 sheds, docks and wharves, and "self-storage" or "mini storage"
22 facilities whereby customers have direct access to individual storage
23 areas by separate entrance. "Storage warehouse" does not include a
24 building or structure, or that part of such building or structure, in
25 which an activity taxable under section 1 of this act is conducted.

26 As used in this section, "periodical or magazine" means a printed
27 publication, other than a newspaper, issued regularly at stated
28 intervals at least once every three months, including any supplement or
29 special edition of the publication.

30 **Sec. 4.** RCW 82.04.290 and 1997 c 7 s 2 are each amended to read as
31 follows:

32 (1) Upon every person engaging within this state in the business of
33 providing international investment management services, as to such
34 persons, the amount of tax with respect to such business shall be equal
35 to the gross income or gross proceeds of sales of the business
36 multiplied by a rate of 0.275 percent.

37 (2) Upon every person engaging within this state in any business
38 activity other than or in addition to those enumerated in RCW

1 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270,
2 ((and)) 82.04.280, and section 1 of this act, and subsection (1) of
3 this section; as to such persons the amount of tax on account of such
4 activities shall be equal to the gross income of the business
5 multiplied by the rate of 1.5 percent.

6 This section includes, among others, and without limiting the scope
7 hereof (whether or not title to materials used in the performance of
8 such business passes to another by accession, confusion or other than
9 by outright sale), persons engaged in the business of rendering any
10 type of service which does not constitute a "sale at retail" or a "sale
11 at wholesale." The value of advertising, demonstration, and
12 promotional supplies and materials furnished to an agent by his
13 principal or supplier to be used for informational, educational and
14 promotional purposes shall not be considered a part of the agent's
15 remuneration or commission and shall not be subject to taxation under
16 this section.

17 **Sec. 5.** RCW 82.04.250 and 1993 sp.s. c 25 s 103 are each amended
18 to read as follows:

19 (1) Upon every person except persons taxable under RCW
20 82.04.260(8), section 1 of this act, or subsection (2) of this section
21 engaging within this state in the business of making sales at retail,
22 as to such persons, the amount of tax with respect to such business
23 shall be equal to the gross proceeds of sales of the business,
24 multiplied by the rate of 0.471 percent.

25 (2) Upon every person engaging within this state in the business of
26 making sales at retail that are exempt from the tax imposed under
27 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or
28 82.08.0263, as to such persons, the amount of tax with respect to such
29 business shall be equal to the gross proceeds of sales of the business,
30 multiplied by the rate of 0.484 percent.

31 NEW SECTION. **Sec. 6.** This act takes effect July 1, 2001."

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4 On page 1, line 4 of the title, after "pharmacy;" strike the
5 remainder of the title and insert "amending RCW 82.04.270, 82.04.280,
6 82.04.290, and 82.04.250; adding a new section to chapter 82.04 RCW;
7 and providing an effective date."

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