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HOUSE BILL 2178

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State of Washington

55th Legislature

1997 Regular Session

By Representative Van Luven

Read first time 02/25/97. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to interest earnings on sales and use taxes;  
2 amending RCW 82.08.050; adding new sections to chapter 82.08 RCW; and  
3 adding new sections to chapter 43.63A RCW.

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

5 **Sec. 1.** RCW 82.08.050 and 1993 sp.s. c 25 s 704 are each amended  
6 to read as follows:

7 (1)(a) The tax hereby imposed shall be paid by the buyer to the  
8 seller, and each seller shall collect from the buyer the full amount of  
9 the tax payable in respect to each taxable sale in accordance with the  
10 schedule of collections adopted by the department pursuant to the  
11 provisions of RCW 82.08.060.

12 (b) Every seller shall maintain a pooled interest-bearing account  
13 for deposit of the full amount of the tax payable in respect to each  
14 taxable sale within five business days from the date of the taxable  
15 sale. The tax and interest accruing on the pooled account must be paid  
16 to the department. The interest rate on the interest-bearing pooled  
17 account may not be less than the interest rate on certificate of  
18 deposits with a term of thirty days. The tax required by this chapter,  
19 to be collected by the seller, shall be deemed to be held in trust by

1 the seller until paid to the department, and any seller who  
2 appropriates or converts the tax collected to his or her own use or to  
3 any use other than the payment of the tax to the extent that the money  
4 required to be collected is not available for payment on the due date  
5 as prescribed in this chapter shall be guilty of a gross misdemeanor.

6 (c) In case any seller fails to collect the tax herein imposed or  
7 having collected the tax, fails to pay it to the department in the  
8 manner prescribed by this chapter, whether such failure is the result  
9 of his or her own acts or the result of acts or conditions beyond his  
10 or her control, he or she shall, nevertheless, be personally liable to  
11 the state for the amount of the tax, unless the seller has taken from  
12 the buyer in good faith a properly executed resale certificate under  
13 RCW 82.04.470.

14 (d) The amount of tax, until paid by the buyer to the seller or to  
15 the department, shall constitute a debt from the buyer to the seller  
16 and any seller who fails or refuses to collect the tax as required with  
17 intent to violate the provisions of this chapter or to gain some  
18 advantage or benefit, either direct or indirect, and any buyer who  
19 refuses to pay any tax due under this chapter shall be guilty of a  
20 misdemeanor. The tax required by this chapter to be collected by the  
21 seller shall be stated separately from the selling price in any sales  
22 invoice or other instrument of sale. On all retail sales through  
23 vending machines, the tax need not be stated separately from the  
24 selling price or collected separately from the buyer. For purposes of  
25 determining the tax due from the buyer to the seller and from the  
26 seller to the department it shall be conclusively presumed that the  
27 selling price quoted in any price list, sales document, contract or  
28 other agreement between the parties does not include the tax imposed by  
29 this chapter, but if the seller advertises the price as including the  
30 tax or that the seller is paying the tax, the advertised price shall  
31 not be considered the selling price.

32 (e) Where a buyer has failed to pay to the seller the tax imposed  
33 by this chapter and the seller has not paid the amount of the tax to  
34 the department, the department may, in its discretion, proceed directly  
35 against the buyer for collection of the tax, in which case a penalty of  
36 ten percent may be added to the amount of the tax for failure of the  
37 buyer to pay the same to the seller, regardless of when the tax may be  
38 collected by the department; and all of the provisions of chapter 82.32  
39 RCW, including those relative to interest and penalties, shall apply in

1 addition; and, for the sole purpose of applying the various provisions  
2 of chapter 82.32 RCW, the twenty-fifth day of the month following the  
3 tax period in which the purchase was made shall be considered as the  
4 due date of the tax.

5 (2) The department shall deposit accrued interest on deposits into  
6 the investments in Washington's future fund created by section 2 of  
7 this act.

8 NEW SECTION. Sec. 2. A new section is added to chapter 82.08 RCW  
9 to read as follows:

10 The investments in Washington's future fund is created in the state  
11 treasury. All receipts from RCW 82.08.050(2) must be deposited into  
12 the fund. Moneys in the fund may be spent only after appropriation.  
13 Expenditures from the fund may be used only for activities authorized  
14 in section 3 of this act and may not be used to supplant existing state  
15 general funds for the programs.

16 NEW SECTION. Sec. 3. A new section is added to chapter 82.08 RCW  
17 to read as follows:

18 Moneys in the investments in Washington's future fund created in  
19 section 2 of the act shall be distributed as follows:

20 (1) Ten percent of the moneys in the fund for the basic health plan  
21 under chapter 70.47 RCW;

22 (2) Ten percent of the moneys in the fund for state-wide tourism  
23 promotion activities under RCW 43.330.090(2);

24 (3) Five percent of the moneys in the fund for the youthbuild  
25 program under chapter 50.72 RCW;

26 (4) Five percent of the moneys in the fund for the establishment  
27 and operation of the state's foreign offices under RCW 43.31.145;

28 (5) Twenty percent of the moneys in the fund for grants to public  
29 schools for computer hardware and online access under section 4 of this  
30 act; and

31 (6) Fifty percent of the moneys in the fund for the youth sports  
32 field grant program created under section 5 of this act.

33 NEW SECTION. Sec. 4. A new section is added to chapter 43.63A RCW  
34 to read as follows:

35 (1) The department of community, trade, and economic development  
36 shall distribute technology grants to school districts for use in the

1 acquisition of K-12 classroom computer hardware, software, and online  
2 access services and equipment.

3 (2) A school district is eligible for a grant if it either:

4 (a) Has ongoing programs emphasizing specific approaches to  
5 learning assisted by technology; or

6 (b) It is identified by the center for the improvement of student  
7 learning based on best practices, and the district has plans and means  
8 for evaluating the improvement in student learning resulting from the  
9 technology-based strategies of the district.

10 (3) The technology grants funds may be supplemented by a  
11 combination of:

12 (a) Private financial contributions;

13 (b) In-kind contributions; and

14 (c) Other school district funds.

15 (4) School districts must submit proposals for grants to the  
16 department of community, trade, and economic development. To the  
17 extent funds are available, school districts that meet the eligibility  
18 criteria of subsection (2) of this section are provided grants under  
19 this section based on a competitive application process.

20 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.63A RCW  
21 to read as follows:

22 (1) The department of community, trade, and economic development  
23 shall distribute grants to eligible organizations to assist with the  
24 acquisition, development, and maintenance of sports fields for youth  
25 activities.

26 (2) Eligibility for grants under this section is limited to an  
27 organization that is organized as a community-based nonprofit  
28 organization that is recognized by the city or county and is organized  
29 under federal or state law.

30 (3) Eligible organizations must submit proposals for grants to the  
31 department of community, trade, and economic development. To the  
32 extent funds are available, grants provided under this section are  
33 based on a competitive application process.

34 (4) A grant up to three hundred thousand dollars may be made under  
35 this section to those eligible organizations solely for the

1 acquisition, development, or maintenance of sports fields for youth  
2 activities.

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