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HOUSE BILL 2485

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State of Washington

55th Legislature

1998 Regular Session

By Representatives Van Luven, Dunshee, Kastama, Gardner and Linville;  
by request of Department of Revenue

Read first time 01/14/98. Referred to Committee on Finance.

1 AN ACT Relating to eliminating the business and occupation tax on  
2 internal distributions; amending RCW 82.04.270; and providing an  
3 effective date.

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

5 **Sec. 1.** RCW 82.04.270 and 1994 c 124 s 2 are each amended to read  
6 as follows:

7 ~~((1))~~ Upon every person except persons taxable under  
8 ~~((subsections (1) or (8) of))~~ RCW 82.04.260 (1) or (8) engaging within  
9 this state in the business of making sales at wholesale; as to such  
10 persons the amount of tax with respect to such business shall be equal  
11 to the gross proceeds of sales of such business multiplied by the rate  
12 of 0.484 percent.

13 ~~((2) The tax imposed by this section is levied and shall be~~  
14 ~~collected from every person engaged in the business of distributing in~~  
15 ~~this state articles of tangible personal property, owned by them from~~  
16 ~~their own warehouse or other central location in this state to two or~~  
17 ~~more of their own retail stores or outlets, where no change of title or~~  
18 ~~ownership occurs, the intent hereof being to impose a tax equal to the~~  
19 ~~wholesaler's tax upon persons performing functions essentially~~

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

13 NEW SECTION. **Sec. 2.** This act takes effect July 1, 1998.

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