

CERTIFICATION OF ENROLLMENT

**SENATE BILL 5195**

55th Legislature  
1997 Regular Session

Passed by the Senate April 21, 1997  
YEAS 36 NAYS 6

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**President of the Senate**

Passed by the House April 14, 1997  
YEAS 62 NAYS 32

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**Speaker of the  
House of Representatives**

Approved

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5195** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

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**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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**SENATE BILL 5195**

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Passed Legislature - 1997 Regular Session

AS AMENDED BY THE HOUSE

**State of Washington                      55th Legislature                      1997 Regular Session**

**By** Senators Deccio and Newhouse; by request of Department of Revenue  
Read first time 01/20/97. Referred to Committee on Ways & Means.

1            AN ACT Relating to the taxation of membership sales in discount  
2 programs; adding a new section to chapter 82.04 RCW; providing an  
3 effective date; and declaring an emergency.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 82.04 RCW  
6 to read as follows:

7            (1) For the purposes of this section, "qualifying discount program"  
8 means a membership program, club, or plan that entitles the member to  
9 discounts on services or products sold by others. The term does not  
10 include any discount program which in part or in total entitles the  
11 member to discounts on services or products sold by the seller of the  
12 membership or an affiliate of the seller of the membership.  
13 "Affiliate," for the purposes of this section, means any person who  
14 directly, or indirectly through one or more intermediaries, controls,  
15 or is controlled by, or is under common control with, the seller.

16            (2) Persons selling memberships in a qualifying discount program  
17 are not subject to tax under this chapter on that portion of the  
18 membership sales where the seller delivers the membership materials to  
19 the purchaser who receives them at a point outside this state.

1        NEW SECTION.    **Sec. 2.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and takes effect  
4    July 1, 1997.

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