

CERTIFICATION OF ENROLLMENT

SENATE BILL 5195

Chapter 408, Laws of 1997

55th Legislature
1997 Regular Session

BUSINESS AND OCCUPATION TAX EXEMPTION FOR OUT-OF-STATE MEMBERSHIP
SALES IN DISCOUNT PROGRAMS

EFFECTIVE DATE: 7/1/97

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

BRAD OWEN

President of the Senate

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

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved May 16, 1997

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.

MIKE O'CONNELL

Secretary

FILED

May 16, 1997 - 3:45 p.m.

GARY LOCKE

Governor of the State of Washington

**Secretary of State
State of Washington**

SENATE BILL 5195

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.

 Passed the Senate April 21, 1997.

 Passed the House April 14, 1997.

 Approved by the Governor May 16, 1997.

 Filed in Office of Secretary of State May 16, 1997.