

2 **SHB 2850** - S COMM AMD (S5145.1 AMD BY #286)
3 By Committee on Ways & Means

4 ADOPTED AS AMENDED 3/8/00

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

7 "NEW SECTION. **Sec. 1.** The legislature finds that linen and
8 uniform supply services have been incorrectly sited for tax purposes
9 and as a result, some companies that perform laundry activities outside
10 the state of Washington have not been required to collect retail sales
11 taxes upon linen and uniform supply services provided to Washington
12 customers. This error in tax treatment provides an incentive for
13 businesses to locate their laundry functions out-of-state. In-state
14 businesses cannot compete if out-of-state competitors are not required
15 to collect sales tax.

16 The purpose of this act is to clarify the taxable situs of linen
17 and uniform supply services.

18 **Sec. 2.** RCW 82.14.020 and 1997 c 201 s 1 are each amended to read
19 as follows:

20 For purposes of this chapter and chapter 82.08 RCW:

21 (1) A retail sale consisting solely of the sale of tangible
22 personal property shall be deemed to have occurred at the retail outlet
23 at or from which delivery is made to the consumer((+)).

24 (2) A retail sale consisting essentially of the performance of
25 personal business or professional services shall be deemed to have
26 occurred at the place at which such services were primarily performed,
27 except that for the performance of a tow truck service, as defined in
28 RCW 46.55.010, the retail sale shall be deemed to have occurred at the
29 place of business of the operator of the tow truck service((+)).

30 (3) A retail sale consisting of the rental of tangible personal
31 property shall be deemed to have occurred (a) in the case of a rental
32 involving periodic rental payments, at the primary place of use by the
33 lessee during the period covered by each payment, or (b) in all other
34 cases, at the place of first use by the lessee((+)).

1 (4) A retail sale within the scope of (~~the second paragraph of~~)
2 RCW 82.04.050(2), and a retail sale of taxable personal property to be
3 installed by the seller shall be deemed to have occurred at the place
4 where the labor and services involved were primarily performed(~~(+)~~).

5 (5) A retail sale consisting of the providing to a consumer of
6 telephone service, as defined in RCW 82.04.065, other than a sale of
7 tangible personal property under subsection (1) of this section or a
8 rental of tangible personal property under subsection (3) of this
9 section, shall be deemed to have occurred at the situs of the telephone
10 or other instrument through which the telephone service is
11 rendered(~~(+)~~).

12 (6) A retail sale of linen and uniform supply services shall be
13 deemed to have occurred at the place of delivery to the customer.
14 "Linen and uniform supply service" means the activity of providing
15 customers with a supply of clean linen, towels, uniforms, gowns,
16 protective apparel, clean room apparel, mats, rugs, and similar items,
17 whether ownership of the item is in the person operating the linen and
18 uniform supply service or in the customer. The term includes supply
19 services operating their own cleaning establishments as well as those
20 contracting with other laundry or dry cleaning businesses.

21 (7) "City" means a city or town(~~(+)~~).

22 (~~(+7)~~) (8) The meaning ascribed to words and phrases in chapters
23 82.04, 82.08 and 82.12 RCW, as now or hereafter amended, insofar as
24 applicable, shall have full force and effect with respect to taxes
25 imposed under authority of this chapter(~~(+)~~).

26 (~~(+8)~~) (9) "Taxable event" shall mean any retail sale, or any use
27 of an article of tangible personal property, upon which a state tax is
28 imposed pursuant to chapter 82.08 or 82.12 RCW, as they now exist or
29 may hereafter be amended: PROVIDED, HOWEVER, That the term shall not
30 include a retail sale taxable pursuant to RCW 82.08.150, as now or
31 hereafter amended(~~(+)~~).

32 (~~(+9)~~) (10) "Treasurer or other legal depository" shall mean the
33 treasurer or legal depository of a county or city.

34 NEW SECTION. Sec. 3. This act takes effect July 1, 2000."

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4 On page 1, line 2 of the title, after "services;" strike the
5 remainder of the title and insert "amending RCW 82.14.020; creating a
6 new section; and providing an effective date."

EFFECT: Provides that laundry services are taxable at the
customer's location.

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