
HOUSE BILL 2485

State of Washington

56th Legislature

2000 Regular Session

By Representatives Carrell, Pennington, McDonald, Sullivan, Talcott, Lambert, Kastama, Cox, Fortunato, Sump, Schoesler, DeBolt, D. Schmidt, Buck, Campbell, Wensman, Boldt, G. Chandler and O'Brien

Read first time 01/14/2000. Referred to Committee on Finance.

1 AN ACT Relating to sales tax equalization; adding new sections to
2 chapter 82.14 RCW; creating a new section; repealing RCW 82.14.200 and
3 82.14.210; providing an 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 82.14 RCW
6 to read as follows:

7 (1) Before January 1st of each year the department shall determine
8 the total and the per capita levels of revenues for each city and the
9 state-wide weighted average per capita level of revenues for all cities
10 imposing the sales and use tax authorized under RCW 82.14.030(1) for
11 the previous calendar year.

12 (2) Each city imposing the sales and use tax under RCW 82.14.030(1)
13 at the maximum rate and receiving less than seventy percent of the
14 state-wide weighted average per capita level of revenues for all cities
15 as determined by the department under subsection (1) of this section
16 may impose a sales and use tax in accordance with this chapter. The
17 tax is in addition to other taxes authorized by law and shall be
18 collected from those persons who are taxable by the state under
19 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event

1 within the city. The rate of tax shall be six and one-half percent of
2 the selling price in the case of a sales tax or value of the article
3 used in the case of a use tax. For calendar year 2000, the tax shall
4 take effect April 1st. For subsequent calendar years, the tax shall
5 take effect January 1st of each year. For a city that does not impose
6 the sales and use tax under RCW 82.14.030(2) at the maximum rate, the
7 tax shall expire for the year when the revenue from the tax is
8 sufficient, when added to the per capita level of revenues received the
9 previous calendar year by the city, to equal seventy percent of the
10 state-wide weighted average per capita level of revenues for all cities
11 determined under subsection (1) of this section, but not later than the
12 end of the calendar year. For a city imposing the sales and use tax
13 under RCW 82.14.030(2) at the maximum rate, the tax shall expire for
14 the year when the revenue from the tax is sufficient, when added to the
15 per capita level of revenues received the previous calendar year by the
16 city, to equal one hundred forty percent of the state-wide weighted
17 average per capita level of revenues for all cities determined under
18 subsection (1) of this section, but not later than the end of the
19 calendar year.

20 (3) Any city ordinance or resolution adopted under this section
21 shall contain a provision allowing a credit against the tax imposed
22 under this section for the full amount of any tax imposed upon the same
23 taxable event under RCW 67.28.180, 82.14.0485, 82.14.0494, or
24 82.14.370.

25 (4) The tax imposed under subsection (2) of this section shall be
26 deducted from the amount of tax otherwise required to be collected or
27 paid over to the department under chapter 82.08 or 82.12 RCW. The
28 department shall perform the collection of such taxes on behalf of the
29 city at no cost to the city.

30 (5)(a) For a city with an official incorporation date after January
31 1st of a year, the department shall:

32 (i) Estimate the per capita amount of revenues from the tax
33 authorized under RCW 82.14.030(1) that the new city would have received
34 had the city received revenues from the tax the entire calendar year;

35 (ii) Calculate the amount of tax that would have been received
36 under subsection (2) of this section based on the per capita revenues
37 determined under (a)(i) of this subsection;

1 (iii) Prorate the amount determined under (a)(ii) of this
2 subsection by the number of months the tax authorized under RCW
3 82.14.030(1) is imposed.

4 (b) If the amount determined under (a)(iii) of this subsection is
5 greater than zero, the city may impose a tax under subsection (2) of
6 this section, effective on or after the date of incorporation. The tax
7 shall expire when the revenue from the tax is equal to the amount
8 determined under (a)(iii) of this subsection, but not later than the
9 end of the calendar year.

10 (c) Revenues estimated under this subsection shall not affect the
11 calculation of the state-wide weighted average per capita level of
12 revenues for all cities made under subsection (1) of this section.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14 RCW
14 to read as follows:

15 (1) Before January 1st of each year the department shall determine
16 the total and the per capita levels of revenues for each county and the
17 state-wide weighted average per capita level of revenues for all
18 counties imposing the sales and use tax authorized under RCW
19 82.14.030(1) for the previous calendar year. For the purposes of this
20 section, per capita calculations shall be based on the population in
21 the unincorporated area of the county.

22 (2) Each county imposing the sales and use tax under RCW
23 82.14.030(1) at the maximum rate and receiving less than one hundred
24 fifty thousand dollars from the tax for the previous calendar year may
25 impose a sales and use tax in accordance with this chapter. The tax is
26 in addition to other taxes authorized by law and shall be collected
27 from those persons who are taxable by the state under chapters 82.08
28 and 82.12 RCW upon the occurrence of any taxable event within the
29 county. The rate of tax shall be six and one-half percent of the
30 selling price in the case of a sales tax or value of the article used
31 in the case of a use tax. For calendar year 2000, the tax shall take
32 effect April 1st. For subsequent calendar years, the tax shall take
33 effect January 1st of each year. For a county that does not impose the
34 sales and use tax under RCW 82.14.030(2) at the maximum rate, the tax
35 shall expire for the year when the revenue from the tax is sufficient,
36 when added to revenues received the previous calendar year by the
37 county, to equal the greater of one hundred fifty thousand dollars or
38 seventy percent of the state-wide weighted average per capita level of

1 revenues for all counties, but not later than the end of the calendar
2 year. For a county imposing the sales and use tax under RCW
3 82.14.030(2) at the maximum rate, the tax shall expire for the year
4 when the revenue from the tax is sufficient, when added to revenues
5 received the previous calendar year by the county, to equal the greater
6 of three hundred thousand dollars or one hundred forty percent of the
7 state-wide weighted average per capita level of revenues for all
8 counties, but not later than the end of the calendar year.

9 (3) The department shall establish a governmental price index as
10 provided in this subsection. The base year for the index shall be the
11 end of the third quarter of 1982. Before November 1st of each year,
12 the department shall establish another index figure for the third
13 quarter of that year. The department may use the implicit price
14 deflators for state and local government purchases of goods and
15 services calculated by the United States department of commerce to
16 establish the governmental price index. On January 1st of each year,
17 the one hundred fifty thousand dollar and three hundred thousand dollar
18 base figures in subsection (2) of this section shall be adjusted in
19 direct proportion to the percentage change in the governmental price
20 index from 1982 until the year before the adjustment. Calculations
21 made under this subsection (3) shall use this adjusted base amount
22 figure.

23 (4) Any county ordinance or resolution adopted under this section
24 shall contain a provision allowing a credit against the tax imposed
25 under this section for the full amount of any tax imposed upon the same
26 taxable event under RCW 67.28.180, section 1 of this act, 82.14.0485,
27 82.14.0494, or 82.14.370.

28 (5) Taxes imposed under this section shall be deducted from the
29 amount of tax otherwise required to be collected or paid over to the
30 department under chapter 82.08 or 82.12 RCW. The department shall
31 perform the collection of such taxes on behalf of the county at no cost
32 to the county.

33 NEW SECTION. **Sec. 3.** Any amounts received during calendar year
34 2000 by a city under RCW 82.14.210 or a county under RCW 82.14.200
35 shall be treated as revenue received during the previous calendar year
36 for the purposes of determining an expiration date under section 1 or
37 2 of this act.

1 NEW SECTION. **Sec. 4.** The following acts or parts of acts are each
2 repealed:

3 (1) RCW 82.14.200 (County sales and use tax equalization account--
4 Allocation procedure) and 1998 c 321 s 8 (Referendum Bill No. 49), 1997
5 c 333 s 2, 1991 sp.s. c 13 s 15, 1990 c 42 s 313, 1985 c 57 s 82, 1984
6 c 225 s 5, 1983 c 99 s 1, & 1982 1st ex.s. c 49 s 21; and

7 (2) RCW 82.14.210 (Municipal sales and use tax equalization
8 account--Allocation procedure) and 1996 c 64 s 1, 1991 sp.s. c 13 s 16,
9 1990 2nd ex.s. c 1 s 701, 1990 c 42 s 314, 1985 c 57 s 83, 1984 c 225
10 s 2, & 1982 1st ex.s. c 49 s 22.

11 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and takes effect
14 April 1, 2000.

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