

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1119

57th Legislature
2001 Regular Legislative Session

Passed by the House March 13, 2001
Yeas 94 Nays 0

Speaker of the House of Representatives

Speaker of the House of Representatives

Passed by the Senate April 9, 2001
Yeas 47 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1119** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1119

Passed Legislature - 2001 Regular Session

State of Washington 57th Legislature 2001 Regular Session

By House Committee on Finance (originally sponsored by Representatives Schoesler, Gombosky, Ahern and Schindler)

Read first time . Referred to Committee on .

1 AN ACT Relating to the business and occupation taxation of sales of
2 new and used motor vehicles; adding new sections to chapter 82.04 RCW;
3 prescribing penalties; providing an effective date; and declaring an
4 emergency.

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

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

8 (1) This chapter does not apply to amounts received by a motor
9 vehicle dealer licensed under chapter 46.70 RCW, or a dealer licensed
10 by any other state, for the wholesale sale of used motor vehicles at
11 auctions to licensed dealers.

12 (2) This chapter does not apply to amounts derived by a new car
13 dealer from wholesale sales of new motor vehicles of the same make to
14 other new car dealers where the sales enable the dealers to adjust
15 their inventory levels as long as the amount paid by the purchasing
16 dealer does not exceed the amount paid by the selling dealer in the
17 acquisition of the vehicle, however, the selling dealer may add
18 reasonable expenses for the preparation of the vehicle for sale or
19 transfer.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
2 to read as follows:

3 (1) In the payment of the tax imposed by this chapter on new motor
4 vehicles sold to Washington customers that are delivered to the
5 customer through courtesy dealers located in this state, the courtesy
6 dealer is deemed to be the agent for the selling dealer in reporting
7 and paying the tax imposed by this chapter, unless the selling dealer
8 is already registered and reporting and remitting taxes under this
9 chapter. It is the duty of each courtesy dealer to pay the tax imposed
10 by this chapter to the department when the courtesy dealer files its
11 tax return. Each courtesy dealer who acts as the agent for the selling
12 dealer in reporting, paying, and remitting the tax imposed by this
13 chapter must at the time of paying and remitting its own taxes imposed
14 by this chapter pay the tax due on the transaction under this section.

15 (2) The tax paid by the courtesy dealer on behalf of the selling
16 dealer shall constitute a debt from the selling dealer to the courtesy
17 dealer, and the courtesy dealer is authorized to withhold payment to
18 the selling dealer out of the proceeds of the sale an amount equal to
19 the tax imposed by this chapter. Amounts withheld by the courtesy
20 dealer are deemed to be held in trust by the courtesy dealer until paid
21 to the department, and any courtesy dealer who appropriates or converts
22 the amount withheld to the courtesy dealer's own use or to any use
23 other than the payment of the tax to the extent that the money withheld
24 is not available for payment on the due date is guilty of a gross
25 misdemeanor.

26 (3) This section is construed as cumulative of other methods
27 prescribed in chapters 82.04 through 82.32 RCW, inclusive, for the
28 collection of the tax imposed by this chapter.

29 (4) As used in this section, "courtesy dealer" means any licensed
30 new motor vehicle dealer authorized to prepare or deliver a new motor
31 vehicle to a customer in this state. "Selling dealer" means a motor
32 vehicle dealer not licensed to prepare or deliver a new motor vehicle
33 to a customer in this state.

34 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 July 1, 2001.

--- END ---