

SENATE BILL REPORT

SB 6721

As of February 5, 2010

Title: An act relating to tax statute clarifications and technical corrections.

Brief Description: Concerning tax statute clarifications and technical corrections.

Sponsors: Senators Schoesler, Hobbs and Honeyford.

Brief History:

Committee Activity: Ways & Means: 2/04/10.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dianne Criswell (786-7433)

Background: When legislation is enacted, it frequently contains references to other statutes. These references may become erroneous due to changes made to the referenced statutes by other legislation enacted during the same legislative session. In addition, statutes sometimes include provisions that are limited in time. These provisions become obsolete with the passage of time.

From time to time, administrative agencies suggest statutory revisions for the purpose of increasing clarity or improving administration.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed First Substitute): Technical corrections are made to various provisions related to property and excise taxes. These changes include: (1) correcting drafting errors, structural problems such as RCW strings that are not in numeric order, inaccurate references to terms that have been changed, and inaccurate cross-references; (2) adding or modifying language to clarify statutory provisions; (3) reenacting sections of code to merge multiple amendments; and (4) repealing several obsolete provisions of code.

The technical corrections to clarify statutory provisions include the following: RCW 82.04.050, which defines retail sales, is amended:

- to add a new subsection (14), which excludes sales of retail services for resale from the definition of retail sale (defined as wholesale sales); and

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- to provide a new definition of retail sale for sales tax purposes: any sale, lease, or rental for any purpose other than for resale, sublease, or subrent.

The tax sourcing statute, RCW 82.32.730, is amended to give sellers of advertising and promotional direct mail the choice of sourcing in-state sales of advertising and promotional direct mail to the place where the mail is delivered or the location of the printer (currently, these sales must be sourced to the location of the seller).

RCW 84.37.030 is amended to exclude special assessments not listed on the annual property tax statement from the low-income property tax deferral program to ease administration. A redundant Joint Legislative Audit and Review Committee (JLARC) study of the low-income property tax deferral program is eliminated. (Under chapter 43.136 RCW, JLARC is already required to review the low-income property tax deferral program and report its findings and recommendations to the Citizen Commission for Performance Measurement of Tax Preferences).

RCW 84.52.030 is amended to remove the requirement that county legislative authorities must levy property taxes at their October session (levies do not need to be certified to the county assessor until November 30).

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Takes effect July 1, 2010, except for Section 123 which takes effect July 1, 2014, and Section 122 which expires July 1, 2014.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.