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HOUSE BILL 2565

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State of Washington

64th Legislature

2016 Regular Session

By Representatives Vick, Reykdal, Orcutt, Wilson, Springer, Robinson, Nealey, Wilcox, Manweller, Stokesbary, Condotta, Pike, Haler, Frame, Hargrove, and Muri

Read first time 01/15/16. Referred to Committee on Finance.

1 AN ACT Relating to reducing the frequency of local sales and use  
2 tax changes; and amending RCW 82.14.055.

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

4 **Sec. 1.** RCW 82.14.055 and 2003 c 168 s 206 are each amended to  
5 read as follows:

6 (1) Except as provided in subsections (2), (3), and (4) of this  
7 section, a local sales and use tax change (~~shall~~) may take effect  
8 (a) no sooner than seventy-five days after the department receives  
9 notice of the change and (b) only on the first day of January, April,  
10 or July(~~, or October~~)).

11 (2) In the case of a local sales and use tax that is a credit  
12 against the state sales tax or use tax, a local sales and use tax  
13 change (~~shall~~) may take effect (a) no sooner than thirty days after  
14 the department receives notice of the change and (b) only on the  
15 first day of a month.

16 (3)(a) A local sales and use tax rate increase imposed on  
17 services applies to the first billing period starting on or after the  
18 effective date of the increase.

19 (b) A local sales and use tax rate decrease imposed on services  
20 applies to bills rendered on or after the effective date of the  
21 decrease.

1           (c) For the purposes of this subsection (3), "services" means  
2 retail services such as installing and constructing and retail  
3 services such as telecommunications, but does not include services  
4 such as tattooing.

5           (4) For the purposes of this section, "local sales and use tax  
6 change" means enactment or revision of local sales and use taxes  
7 under this chapter or any other statute, including changes resulting  
8 from referendum or annexation.

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