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HOUSE BILL 1423

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State of Washington                      65th Legislature                      2017 Regular Session

By Representatives Shea, Goodman, McCaslin, Taylor, and Volz

Read first time 01/19/17. Referred to Committee on Finance.

1            AN ACT Relating to the excise taxation of personal and alcohol  
2 monitoring devices and services; adding a new section to chapter  
3 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new  
4 section to chapter 82.04 RCW; creating new sections; providing an  
5 effective date; and declaring an emergency.

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

7            NEW SECTION.    **Sec. 1.** The legislature finds that in appropriate  
8 circumstances electronic home monitoring or alcohol monitoring can be  
9 a more cost-effective, and less restrictive, public safety measure  
10 than alternatives, such as incarceration. The legislature finds that  
11 it is in the public interest that there be a robust marketplace for  
12 providing these services and that the services should be as  
13 inexpensive as possible. Therefore, the legislature intends to  
14 clarify that neither sales and use nor business and occupation taxes  
15 apply to the provision of equipment and related monitoring services.

16            NEW SECTION.    **Sec. 2.** A new section is added to chapter 82.08  
17 RCW to read as follows:

18            (1) The tax levied by RCW 82.08.020 does not apply to the sale of  
19 personal monitoring devices or alcohol monitoring devices.

1 (2) The definitions in this subsection apply throughout this  
2 section unless the context clearly requires otherwise.

3 (a) "Alcohol monitoring device" means a device that is capable of  
4 remote continuous or transdermal alcohol monitoring that can be  
5 attached directly to the participant. The term includes any  
6 associated equipment necessary for the device to perform properly.

7 (b) "Personal monitoring device" means a device used for tracking  
8 the location of an individual, whether pretrial or posttrial, through  
9 the use of technology that is capable of determining or identifying  
10 the monitored individual's presence or absence at a particular  
11 location including, but not limited to:

12 (i) Radio frequency signaling technology, which detects if the  
13 monitored individual is or is not at an approved location and  
14 notifies the monitoring agency of the time that the monitored  
15 individual either leaves the approved location or tampers with or  
16 removes the personal monitoring device; or

17 (ii) Active or passive global positioning system technology,  
18 which detects the location of the monitored individual and notifies  
19 the monitoring agency of the monitored individual's location.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12  
21 RCW to read as follows:

22 The provisions of this chapter do not apply to the use of  
23 personal monitoring devices or alcohol monitoring devices as defined  
24 in section 2 of this act.

25 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.04  
26 RCW to read as follows:

27 (1) This chapter does not apply to amounts received by a person  
28 derived from the sale of personal monitoring devices or alcohol  
29 monitoring devices as defined in section 1 of this act.

30 (2) This chapter does not apply to amounts derived from the sale  
31 of remote monitoring services.

32 NEW SECTION. **Sec. 5.** This act applies to the sale or use of  
33 personal monitoring devices or alcohol monitoring devices that occur  
34 on or after July 1, 2017, as well as retroactively for any taxpayer  
35 who has been assessed taxes by the department of revenue prior to  
36 July 1, 2017, on devices or services exempted in this act.

1        NEW SECTION.    **Sec. 6.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of  
3    the state government and its existing public institutions, and takes  
4    effect July 1, 2017.

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