
HOUSE BILL 2445

State of Washington 52nd Legislature 1992 Regular Session

By Representative Wang; by request of Governor Gardner

Read first time 01/16/92. Referred to Committee on Revenue.

1 AN ACT Relating to taxes imposed on sales of cable television
2 services; amending RCW 82.04.050 and 82.08.020; providing an effective
3 date; and declaring an emergency.

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

5 **Sec. 1.** RCW 82.04.050 and 1988 c 253 s 1 are each amended to read
6 as follows:

7 (1) "Sale at retail" or "retail sale" means every sale of tangible
8 personal property (including articles produced, fabricated, or
9 imprinted) to all persons irrespective of the nature of their business
10 and including, among others, without limiting the scope hereof, persons
11 who install, repair, clean, alter, improve, construct, or decorate real
12 or personal property of or for consumers other than a sale to a person
13 who (a) purchases for the purpose of resale as tangible personal
14 property in the regular course of business without intervening use by

1 such person, or (b) installs, repairs, cleans, alters, imprints,
2 improves, constructs, or decorates real or personal property of or for
3 consumers, if such tangible personal property becomes an ingredient or
4 component of such real or personal property without intervening use by
5 such person, or (c) purchases for the purpose of consuming the property
6 purchased in producing for sale a new article of tangible personal
7 property or substance, of which such property becomes an ingredient or
8 component or is a chemical used in processing, when the primary purpose
9 of such chemical is to create a chemical reaction directly through
10 contact with an ingredient of a new article being produced for sale, or
11 (d) purchases for the purpose of consuming the property purchased in
12 producing ferrosilicon which is subsequently used in producing
13 magnesium for sale, if the primary purpose of such property is to
14 create a chemical reaction directly through contact with an ingredient
15 of ferrosilicon, or (e) purchases for the purpose of providing the
16 property to consumers as part of competitive telephone service, as
17 defined in RCW 82.04.065. The term shall include every sale of tangible
18 personal property which is used or consumed or to be used or consumed
19 in the performance of any activity classified as a "sale at retail" or
20 "retail sale" even though such property is resold or utilized as
21 provided in (a), (b), (c), (d), or (e) above following such use. The
22 term also means every sale of tangible personal property to persons
23 engaged in any business which is taxable under RCW 82.04.280,
24 subsections (2) and (7) and RCW 82.04.290.

25 (2) The term "sale at retail" or "retail sale" shall include the
26 sale of or charge made for tangible personal property consumed and/or
27 for labor and services rendered in respect to the following: (a) The
28 installing, repairing, cleaning, altering, imprinting, or improving of
29 tangible personal property of or for consumers, including charges made
30 for the mere use of facilities in respect thereto, but excluding

1 charges made for the use of coin operated laundry facilities when such
2 facilities are situated in an apartment house, hotel, motel, rooming
3 house, trailer camp or tourist camp for the exclusive use of the
4 tenants thereof, and also excluding sales of laundry service to members
5 by nonprofit associations composed exclusively of nonprofit hospitals,
6 and excluding services rendered in respect to live animals, birds and
7 insects; (b) the constructing, repairing, decorating, or improving of
8 new or existing buildings or other structures under, upon, or above
9 real property of or for consumers, including the installing or
10 attaching of any article of tangible personal property therein or
11 thereto, whether or not such personal property becomes a part of the
12 realty by virtue of installation, and shall also include the sale of
13 services or charges made for the clearing of land and the moving of
14 earth excepting the mere leveling of land used in commercial farming or
15 agriculture; (c) the charge for labor and services rendered in respect
16 to constructing, repairing, or improving any structure upon, above, or
17 under any real property owned by an owner who conveys the property by
18 title, possession, or any other means to the person performing such
19 construction, repair, or improvement for the purpose of performing such
20 construction, repair, or improvement and the property is then
21 reconveyed by title, possession, or any other means to the original
22 owner; (d) the sale of or charge made for labor and services rendered
23 in respect to the cleaning, fumigating, razing or moving of existing
24 buildings or structures, but shall not include the charge made for
25 janitorial services; and for purposes of this section the term
26 "janitorial services" shall mean those cleaning and caretaking services
27 ordinarily performed by commercial janitor service businesses
28 including, but not limited to, wall and window washing, floor cleaning
29 and waxing, and the cleaning in place of rugs, drapes and upholstery.
30 The term "janitorial services" does not include painting, papering,

1 repairing, furnace or septic tank cleaning, snow removal or
2 sandblasting; (e) the sale of or charge made for labor and services
3 rendered in respect to automobile towing and similar automotive
4 transportation services, but not in respect to those required to report
5 and pay taxes under chapter 82.16 RCW; (f) the sale of and charge made
6 for the furnishing of lodging and all other services by a hotel,
7 rooming house, tourist court, motel, trailer camp, and the granting of
8 any similar license to use real property, as distinguished from the
9 renting or leasing of real property, and it shall be presumed that the
10 occupancy of real property for a continuous period of one month or more
11 constitutes a rental or lease of real property and not a mere license
12 to use or enjoy the same; (g) the sale of or charge made for tangible
13 personal property, labor and services to persons taxable under (a),
14 (b), (c), (d), (e), and (f) above when such sales or charges are for
15 property, labor and services which are used or consumed in whole or in
16 part by such persons in the performance of any activity defined as a
17 "sale at retail" or "retail sale" even though such property, labor and
18 services may be resold after such use or consumption. Nothing
19 contained in this paragraph shall be construed to modify the first
20 paragraph of this section and nothing contained in the first paragraph
21 of this section shall be construed to modify this paragraph.

22 (3) The term "sale at retail" or "retail sale" shall include the
23 sale of or charge made for personal business or professional services
24 including amounts designated as interest, rents, fees, admission, and
25 other service emoluments however designated, received by persons
26 engaging in the following business activities: (a) Amusement and
27 recreation businesses including but not limited to golf, pool,
28 billiards, skating, bowling, ski lifts and tows and others; (b)
29 abstract, title insurance and escrow businesses; (c) credit bureau
30 businesses; (d) automobile parking and storage garage businesses.

1 (4) The term shall also include the renting or leasing of tangible
2 personal property to consumers.

3 (5) The term shall also include the providing of telephone service,
4 as defined in RCW 82.04.065, to consumers.

5 (6) The term shall include the service of cable television,
6 community antenna television, and any and all other distribution of
7 television, video, or radio services with or without the use of wires
8 provided to subscribers for which a fee is charged, including all
9 service charges and rental charges, whether for basic service, premium
10 channels, or other special service, and including installation and
11 repair service charges. The term shall not include services described
12 in this subsection purchased by radio or television companies for use
13 in providing services to their customers.

14 (7) The term shall not include the sale of or charge made for labor
15 and services rendered in respect to the building, repairing, or
16 improving of any street, place, road, highway, easement, right of way,
17 mass public transportation terminal or parking facility, bridge,
18 tunnel, or trestle which is owned by a municipal corporation or
19 political subdivision of the state or by the United States and which is
20 used or to be used primarily for foot or vehicular traffic including
21 mass transportation vehicles of any kind. The term shall also not
22 include sales of feed, seed, seedlings, fertilizer, and spray materials
23 to persons who participate in the federal conservation reserve program
24 or its successor administered by the United States department of
25 agriculture, or to persons for the purpose of producing for sale any
26 agricultural product whatsoever, including plantation Christmas trees
27 and milk, eggs, wool, fur, meat, honey, or other substances obtained
28 from animals, birds, or insects but only when such production and
29 subsequent sale are exempt from tax under RCW 82.04.330, nor shall it
30 include sales of chemical sprays or washes to persons for the purpose

1 of post-harvest treatment of fruit for the prevention of scald, fungus,
2 mold, or decay.

3 ~~((7))~~ (8) The term shall not include the sale of or charge made
4 for labor and services rendered in respect to the constructing,
5 repairing, decorating, or improving of new or existing buildings or
6 other structures under, upon, or above real property of or for the
7 United States, any instrumentality thereof, or a county or city housing
8 authority created pursuant to chapter 35.82 RCW, including the
9 installing, or attaching of any article of tangible personal property
10 therein or thereto, whether or not such personal property becomes a
11 part of the realty by virtue of installation. Nor shall the term
12 include the sale of services or charges made for the clearing of land
13 and the moving of earth of or for the United States, any
14 instrumentality thereof, or a county or city housing authority.

15 **Sec. 2.** RCW 82.08.020 and 1985 c 32 s 1 are each amended to read
16 as follows:

17 (1) There is levied and there shall be collected a tax on each
18 retail sale in this state equal to six and five-tenths percent of the
19 selling price.

20 (2) The tax imposed under this chapter shall apply to successive
21 retail sales of the same property.

22 (3) The rate provided in this section applies to taxes imposed
23 under chapter 82.12 RCW as provided in RCW 82.12.020.

24 (4) After June 30, 1993, an amount equal to eighty-three percent of
25 the proceeds of the tax imposed by this section on sales of television,
26 video, and radio services described in RCW 82.04.050(6) shall be
27 deposited into the budget stabilization account created in RCW
28 43.88.020.

1 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and shall take
4 effect June 1, 1992.