
HOUSE BILL 2672

State of Washington 52nd Legislature 1992 Regular Session

By Representatives Wang, Ebersole, Ballard, Brumsickle and Wynne

Read first time 01/23/92. Referred to Committee on Revenue.

1 AN ACT Relating to the tax status of cellular communications;
2 creating new sections; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** As used in this act "cellular
5 communications" includes radio common carrier communications.

6 NEW SECTION. **Sec. 2.** (1) The legislature finds that:

7 (a) Cellular communications is a new, rapidly changing, capital-
8 intensive, and complex industry;

9 (b) Cellular technology is so new that there are substantial public
10 policy questions regarding valuation, taxation, and other assessments
11 of cellular communication equipment and services;

12 (c) A thorough study of cellular communications equipment,
13 property, and services is necessary before a permanent tax policy can

1 be adopted that addresses the questions of equity, fairness, and
2 consistent tax treatment by all taxing units of government.

3 (2) The intent of this act is to study and define what cellular
4 communications is, recommend to the legislature how it is to be taxed
5 and assessed, and to clear up the current inconsistencies that now
6 exist among different units of government.

7 NEW SECTION. **Sec. 3.** (1) The department of revenue shall
8 conduct a study of the taxation and assessment of cellular
9 communications property, equipment, and services. The study must focus
10 on the policy implications involved in developing clear definitions of
11 cellular communications equipment, property, and services that should
12 be taxable, at what rate, and under what definition, as well as what
13 should be exempt. The study must include an examination of:

14 (a) Definitions of cellular communications real property,
15 equipment, and services;

16 (b) Taxation of cellular communication in other states;

17 (c) Alternatives to the current methods of taxation;

18 (d) The advantages or disadvantages of change, revision, or
19 alternatives to the present tax treatment of cellular communications;

20 (e) A comparison and analysis as to the similarities and
21 differences between cellular communications and traditional
22 telecommunications defined as utilities and how they should be treated
23 for tax purposes either differently or similarly;

24 (f) A complete inventory of all types of taxes paid including, but
25 not limited to, utility taxes, property taxes, sales and use taxes, and
26 per-line charges paid to the state and local governments.

27 (2) To perform the study, the department shall form a study
28 committee with balanced representation from different segments of
29 government and industry. The study committee must include, but need

1 not be limited to, two members from the house of representatives
2 revenue committee, two members from the senate ways and means
3 committee, persons representing the department, cellular communication
4 companies, tax specialists, representatives from county and city
5 government, large and small businesses, as well as individuals that use
6 cellular communication devices.

7 (3) The department shall provide staff for the purposes of the
8 study.

9 (4) The department shall report the findings of the study to the
10 committees of the legislature that deal with revenue matters no later
11 than December 1, 1992.

12 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
13 preservation of the public peace, health, or safety, or support of the
14 state government and its existing public institutions, and shall take
15 effect immediately.