
HOUSE BILL 2082

State of Washington

56th Legislature

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By Representatives Conway, Kessler, Linville, Clements, Van Luven, Dunn, D. Schmidt, Cairnes, Carrell, Delvin, Parlette, Lambert, Hankins, Campbell, Bush, Lisk, Buck, B. Chandler, G. Chandler, Skinner, Barlean, Ericksen, Ballard, McDonald, Huff, D. Sommers, Koster, Mastin, Fortunato, Mitchell, Pennington, Wensman, McMorris, Schindler, Schoesler, Carlson, Pflug, Cox, Tokuda and Esser

Read first time 02/15/1999. Referred to Committee on Finance.

1 AN ACT Relating to the taxation of restaurants; reenacting and
2 amending RCW 82.04.260; providing an effective date; and declaring an
3 emergency.

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

5 **Sec. 1.** RCW 82.04.260 and 1998 c 312 s 5 and 1998 c 311 s 2 are
6 each reenacted and amended to read as follows:

7 (1) Upon every person engaging within this state in the business of
8 manufacturing:

9 (a) Wheat into flour, barley into pearl barley, soybeans into
10 soybean oil, canola into canola oil, canola meal, or canola byproducts,
11 or sunflower seeds into sunflower oil; as to such persons the amount of
12 tax with respect to such business shall be equal to the value of the
13 flour, pearl barley, oil, canola meal, or canola byproduct
14 manufactured, multiplied by the rate of 0.138 percent;

15 (b) Seafood products which remain in a raw, raw frozen, or raw
16 salted state at the completion of the manufacturing by that person; as
17 to such persons the amount of tax with respect to such business shall
18 be equal to the value of the products manufactured, multiplied by the
19 rate of 0.138 percent; and

1 (c) By canning, preserving, freezing, processing, or dehydrating
2 fresh fruits and vegetables, or selling at wholesale fresh fruits and
3 vegetables canned, preserved, frozen, processed, or dehydrated by the
4 seller and sold to purchasers who transport in the ordinary course of
5 business the goods out of this state; as to such persons the amount of
6 tax with respect to such business shall be equal to the value of the
7 products canned, preserved, frozen, processed, or dehydrated multiplied
8 by the rate of 0.138 percent. As proof of sale to a person who
9 transports in the ordinary course of business goods out of this state,
10 the seller shall annually provide a statement in a form prescribed by
11 the department and retain the statement as a business record.

12 (2) Upon every person engaging within this state in the business of
13 splitting or processing dried peas; as to such persons the amount of
14 tax with respect to such business shall be equal to the value of the
15 peas split or processed, multiplied by the rate of 0.138 percent.

16 (3) Upon every nonprofit corporation and nonprofit association
17 engaging within this state in research and development, as to such
18 corporations and associations, the amount of tax with respect to such
19 activities shall be equal to the gross income derived from such
20 activities multiplied by the rate of 0.484 percent.

21 (4) Upon every person engaging within this state in the business of
22 slaughtering, breaking and/or processing perishable meat products
23 and/or selling the same at wholesale only and not at retail; as to such
24 persons the tax imposed shall be equal to the gross proceeds derived
25 from such sales multiplied by the rate of 0.138 percent.

26 (5) Upon every person engaging within this state in the business of
27 making sales, at retail or wholesale, of nuclear fuel assemblies
28 manufactured by that person, as to such persons the amount of tax with
29 respect to such business shall be equal to the gross proceeds of sales
30 of the assemblies multiplied by the rate of 0.275 percent.

31 (6) Upon every person engaging within this state in the business of
32 manufacturing nuclear fuel assemblies, as to such persons the amount of
33 tax with respect to such business shall be equal to the value of the
34 products manufactured multiplied by the rate of 0.275 percent.

35 (7) Upon every person engaging within this state in the business of
36 acting as a travel agent or tour operator; as to such persons the
37 amount of the tax with respect to such activities shall be equal to the
38 gross income derived from such activities multiplied by the rate of
39 0.275 percent.

1 (8) Upon every person engaging within this state in business as an
2 international steamship agent, international customs house broker,
3 international freight forwarder, vessel and/or cargo charter broker in
4 foreign commerce, and/or international air cargo agent; as to such
5 persons the amount of the tax with respect to only international
6 activities shall be equal to the gross income derived from such
7 activities multiplied by the rate of 0.275 percent.

8 (9) Upon every person engaging within this state in the business of
9 stevedoring and associated activities pertinent to the movement of
10 goods and commodities in waterborne interstate or foreign commerce; as
11 to such persons the amount of tax with respect to such business shall
12 be equal to the gross proceeds derived from such activities multiplied
13 by the rate of 0.275 percent. Persons subject to taxation under this
14 subsection shall be exempt from payment of taxes imposed by chapter
15 82.16 RCW for that portion of their business subject to taxation under
16 this subsection. Stevedoring and associated activities pertinent to
17 the conduct of goods and commodities in waterborne interstate or
18 foreign commerce are defined as all activities of a labor, service or
19 transportation nature whereby cargo may be loaded or unloaded to or
20 from vessels or barges, passing over, onto or under a wharf, pier, or
21 similar structure; cargo may be moved to a warehouse or similar holding
22 or storage yard or area to await further movement in import or export
23 or may move to a consolidation freight station and be stuffed,
24 unstuffed, containerized, separated or otherwise segregated or
25 aggregated for delivery or loaded on any mode of transportation for
26 delivery to its consignee. Specific activities included in this
27 definition are: Wharfage, handling, loading, unloading, moving of
28 cargo to a convenient place of delivery to the consignee or a
29 convenient place for further movement to export mode; documentation
30 services in connection with the receipt, delivery, checking, care,
31 custody and control of cargo required in the transfer of cargo;
32 imported automobile handling prior to delivery to consignee; terminal
33 stevedoring and incidental vessel services, including but not limited
34 to plugging and unplugging refrigerator service to containers,
35 trailers, and other refrigerated cargo receptacles, and securing ship
36 hatch covers.

37 (10) Upon every person engaging within this state in the business
38 of disposing of low-level waste, as defined in RCW 43.145.010; as to
39 such persons the amount of the tax with respect to such business shall

1 be equal to the gross income of the business, excluding any fees
2 imposed under chapter 43.200 RCW, multiplied by the rate of 3.3
3 percent.

4 If the gross income of the taxpayer is attributable to activities
5 both within and without this state, the gross income attributable to
6 this state shall be determined in accordance with the methods of
7 apportionment required under RCW 82.04.460.

8 (11) Upon every person engaging within this state as an insurance
9 agent, insurance broker, or insurance solicitor licensed under chapter
10 48.17 RCW; as to such persons, the amount of the tax with respect to
11 such licensed activities shall be equal to the gross income of such
12 business multiplied by the rate of 0.484 percent.

13 (12) Upon every person engaging within this state in business as a
14 hospital, as defined in chapter 70.41 RCW, that is operated as a
15 nonprofit corporation or by the state or any of its political
16 subdivisions, as to such persons, the amount of tax with respect to
17 such activities shall be equal to the gross income of the business
18 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
19 percent thereafter. The moneys collected under this subsection shall
20 be deposited in the health services account created under RCW
21 43.72.900.

22 (13) Upon every person engaging within this state in the business
23 as a restaurant, tavern, and bar; as to such persons the amount of the
24 tax with respect to such activities shall be equal to the gross income
25 derived from such activities multiplied by the rate of 0.275 percent.
26 As used in this section, "restaurant" does not include grocery stores,
27 minimarkets, or convenience stores.

28 NEW SECTION. Sec. 2. This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of the
30 state government and its existing public institutions, and takes effect
31 July 1, 1999.

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