
SENATE BILL 5994

State of Washington

63rd Legislature

2014 Regular Session

By Senator Ericksen

Read first time 01/13/14. Referred to Committee on Ways & Means.

1 AN ACT Relating to a sales and use tax exemption provided to the
2 state, public school districts, and public charter schools on school
3 construction when the funds used were obtained from indebtedness;
4 adding a new section to chapter 82.08 RCW; adding a new section to
5 chapter 82.12 RCW; creating a new section; and providing an effective
6 date.

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

8 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
9 performance statement for the tax preference contained in sections 2
10 and 3 of this act. This performance statement is only intended to be
11 used for subsequent evaluation of the tax preference. It is not
12 intended to create a private right of action by any party or be used to
13 determine eligibility for preferential tax treatment.

14 (2) The legislature categorizes this tax preference as intended to
15 extend the purchasing power of funds for school construction,
16 maintenance, and improvements when such funds are acquired through
17 indebtedness.

18 (3) The legislature's specific public policy goal is to reduce the
19 cost of school projects when such projects are funded through debt.

1 (4) The office of the superintendent of public instruction must
2 provide the data necessary to perform a review to the joint legislative
3 audit and review committee during the year in which the review will be
4 conducted.

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

7 (1) The tax levied by RCW 82.08.020 does not apply to purchases, or
8 portions of purchases, for construction, maintenance, or improvement of
9 facilities owned by public school districts or public charter schools,
10 when the purchase is made with moneys acquired by the state public
11 school district, or public charter school from indebtedness.

12 (2) As used in this section, "portions or purchases" are those
13 portions of a purchase that were made from indebtedness when the total
14 purchase was made from multiple fund sources.

15 (3) As used in this section, "indebtedness" means all debt incurred
16 by the state, public school district, or public charter school for a
17 term greater than one year and does not include debt to other
18 governments or governmental funds.

19 (4) The exemption under this section is available only when the
20 buyer provides the seller with an exemption certificate in a form and
21 manner prescribed by the department. The seller must retain a copy of
22 the certificate for the seller's files.

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

25 (1) The provisions of this chapter do not apply with respect to the
26 use of any items used for the construction, maintenance, or improvement
27 of a facility owned by a public school district or public charter
28 school when the items were purchased with moneys acquired by the state,
29 public school district, or public charter school from indebtedness.

30 (2) When the item used was acquired by purchase through multiple
31 funds sources, only the amount that was purchased by moneys acquired
32 from indebtedness qualify for the exemption under this section.

33 (3) For the purposes of this section, the definitions and
34 requirements in section 1 of this act apply.

1 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2014.

--- END ---