

**2SHB 2157 - H AMD 802**

By Representative Orcutt

**NOT CONSIDERED 12/23/2019**

1 Beginning on page 11, line 10, strike all of section 401 and  
2 insert the following:

3 **"Sec. 401.** RCW 82.08.0273 and 2014 c 140 s 17 are each amended  
4 to read as follows:

5 (1) The tax levied by RCW 82.08.020 does not apply to sales to  
6 nonresidents of this state of tangible personal property, digital  
7 goods, and digital codes (~~(, when)~~). The exemption only applies if:

8 (a) The property is for use outside this state;

9 (b) The purchaser is a bona fide resident of a province or  
10 territory of Canada or a state, territory, or possession of the  
11 United States, other than the state of Washington; and

12 (i) Such state, possession, territory, or province does not  
13 impose, or have imposed on its behalf, a generally applicable retail  
14 sales tax, use tax, value added tax, gross receipts tax on retailing  
15 activities, or similar generally applicable tax, of three percent or  
16 more; or

17 (ii) If imposing a tax described in (b)(i) of this subsection,  
18 provides an exemption for sales to Washington residents by reason of  
19 their residence; and

20 (c) The purchaser agrees, when requested, to grant the department  
21 of revenue access to such records and other forms of verification at  
22 his or her place of residence to assure that such purchases are not  
23 first used substantially in the state of Washington.

24 (2) Notwithstanding anything to the contrary in this chapter, if  
25 parts or other tangible personal property are installed by the seller  
26 during the course of repairing, cleaning, altering, or improving  
27 motor vehicles, trailers, or campers and the seller makes a separate  
28 charge for the tangible personal property, the tax levied by RCW  
29 82.08.020 does not apply to the separately stated charge to a  
30 nonresident purchaser for the tangible personal property but only if  
31 the separately stated charge does not exceed either the seller's  
32 current publicly stated retail price for the tangible personal

1 property or, if no publicly stated retail price is available, the  
2 seller's cost for the tangible personal property. However, the  
3 exemption provided by this section does not apply if tangible  
4 personal property is installed by the seller during the course of  
5 repairing, cleaning, altering, or improving motor vehicles, trailers,  
6 or campers and the seller makes a single nonitemized charge for  
7 providing the tangible personal property and service. All of the  
8 requirements in subsections (1) and (3) through ~~((6))~~ (7) of this  
9 section apply to this subsection.

10 (3) (a) Any person claiming exemption from retail sales tax under  
11 the provisions of this section must display proof of his or her  
12 current nonresident status as provided in this section.

13 (b) Acceptable proof of a nonresident person's status includes  
14 one piece of identification such as a valid driver's license from the  
15 jurisdiction in which the out-of-state residency is claimed or a  
16 valid identification card which has a photograph of the holder and is  
17 issued by the out-of-state jurisdiction. Identification under this  
18 subsection (3) (b) must show the holder's residential address and have  
19 as one of its legal purposes the establishment of residency in that  
20 out-of-state jurisdiction.

21 (c) In lieu of furnishing proof of a person's nonresident status  
22 under (b) of this subsection (3), a person claiming exemption from  
23 retail sales tax under the provisions of this section may provide  
24 ~~((the seller with))~~ an exemption certificate in compliance with  
25 subsection ~~((4) (b))~~ (5) (c) of this section.

26 (4) (a) For purchases made in any of the four largest counties  
27 west of the Cascades that do not share a border with a state that  
28 does not impose a retail sales tax, any person claiming exemption  
29 from retail sales tax under the provisions of this section must pay  
30 the state and local sales tax to the seller at the time of purchase  
31 and then request a remittance from the department in accordance with  
32 this subsection and subsection (5) of this section. A request for  
33 remittance must include proof of the person's status as a nonresident  
34 at the time of the purchase for which the remittance was requested.  
35 The request for the remittance must also include any additional  
36 information and documentation as required by the department, which  
37 may include a description of the item purchases for which a  
38 remittance is requested, the sales price of the item, the amount of  
39 sales tax paid on the item, the date of purchase, the name of the

1 seller and the physical address where the sale took place, and copies  
2 of sales receipts showing the qualified purchase.

3 (b) (i) Beginning January 1, 2020, through December 31, 2020, a  
4 person may request a remittance from the department for state sales  
5 taxes paid by the person on qualified retail purchases made in  
6 Washington between July 1, 2019, and December 31, 2019.

7 (ii) Beginning January 1, 2021, a person may request a remittance  
8 from the department during any calendar year for state sales taxes  
9 paid by the person on qualified retail purchases made in Washington  
10 during the immediately preceding calendar year only. No application  
11 may be made with respect to purchases made before the immediately  
12 preceding calendar year.

13 (c) The remittance request, including proof of nonresident status  
14 and any other documentation and information required by the  
15 department, must be provided in a form and manner as prescribed by  
16 the department. Only one remittance request may be made by a person  
17 per calendar year.

18 (d) The total amount of a remittance request must be at least  
19 twenty-five dollars. The department must deny any request for a  
20 remittance that is less than twenty-five dollars.

21 (e) The department will examine the applicant's proof of  
22 nonresident status and any other documentation and information as  
23 required in the application to determine whether the applicant is  
24 entitled to a remittance under this section.

25 (5) (a) For purchases in any county except the four largest  
26 counties west of the Cascades that do not share a border with a state  
27 that does not impose a retail sales tax, a person claiming the  
28 exemption from retail sales under the provisions of this section must  
29 provide proof of his or her nonresident status as provided in this  
30 section at the time of purchase.

31 (b) Nothing in this section requires the vendor to make tax  
32 exempt retail sales to nonresidents. A vendor may choose to make  
33 sales to nonresidents, collect the sales tax, and remit the amount of  
34 sales tax collected to the state as otherwise provided by law. If the  
35 vendor chooses to make a sale to a nonresident without collecting the  
36 sales tax, the vendor must examine the purchaser's proof of  
37 nonresidence, determine whether the proof is acceptable under  
38 subsection (3) (b) of this section, and maintain records for each  
39 nontaxable sale which must show the type of proof accepted, including

1 any identification numbers where appropriate, and the expiration  
2 date, if any.

3 ~~((b))~~ (c) In lieu of using the method provided in ~~((a))~~ (b)  
4 of this subsection to document an exempt sale to a nonresident, a  
5 seller may accept from the purchaser a properly completed uniform  
6 exemption certificate approved by the streamlined sales and use tax  
7 agreement governing board or any other exemption certificate as may  
8 be authorized by the department and properly completed by the  
9 purchaser. A nonresident purchaser who uses an exemption certificate  
10 authorized in this subsection ~~((4)(b))~~ (5)(c) must include the  
11 purchaser's driver's license number or other state-issued  
12 identification number and the state of issuance.

13 ~~((e))~~ (d) In lieu of using the methods provided in ~~((a) and)~~  
14 (b) and (c) of this subsection to document an exempt sale to a  
15 nonresident, a seller may capture the relevant data elements as  
16 allowed under the streamlined sales and use tax agreement.

17 ~~((5))~~ (6)(a) Any person making fraudulent statements, which  
18 includes the offer of fraudulent identification or fraudulently  
19 procured identification to a vendor, in order to purchase goods  
20 without paying retail sales tax is guilty of perjury under chapter  
21 9A.72 RCW.

22 (b) Any person making tax exempt purchases under this section by  
23 displaying proof of identification not his or her own, or counterfeit  
24 identification, with intent to violate the provisions of this  
25 section, is guilty of a misdemeanor and, in addition, is liable for  
26 the tax and subject to a penalty equal to the greater of one hundred  
27 dollars or the tax due on such purchases.

28 ~~((6))~~ (7)(a) Any vendor who makes sales without collecting the  
29 tax and who fails to maintain records of sales to nonresidents as  
30 provided in this section is personally liable for the amount of tax  
31 due.

32 (b) Any vendor who makes sales without collecting the retail  
33 sales tax under this section and who has actual knowledge that the  
34 purchaser's proof of identification establishing out-of-state  
35 residency is fraudulent is guilty of a misdemeanor and, in addition,  
36 is liable for the tax and subject to a penalty equal to the greater  
37 of one thousand dollars or the tax due on such sales. In addition,  
38 both the purchaser and the vendor are liable for any penalties and  
39 interest assessable under chapter 82.32 RCW.

1           (~~(7)~~) (8) The exemption in this section does not apply to sales  
2 of marijuana, useable marijuana, or marijuana-infused products."

EFFECT: Limits the nonresident sales tax remittance program to Snohomish, King, Pierce and Thurston counties. Maintains current nonresident sales tax program for remainder of counties.

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