S-4792.1

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**SUBSTITUTE SENATE BILL 5911**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators L. Wilson, Dozier, Wagoner, Warnick, and J. Wilson)

AN ACT Relating to enhancing cancer research funding by dedicating a portion of state sales tax collections in October to the Andy Hill cancer research endowment fund; amending RCW 82.08.020 and 43.348.080; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that cancer continues to be the leading cause of death in Washington. The legislature further finds that dedicated funding for cancer research is essential for the development of lifesaving innovations that detect, treat, and prevent cancer. The legislature recognizes that October was the first month popularly designated as a cancer awareness month, thanks to efforts begun by the American cancer society nearly 40 years ago to combat breast cancer. The legislature further acknowledges the need to provide ample funding for cancer research and is committed to promoting healthier lives for the people of this state. In furtherance of this acknowledgment, the legislature intends to dedicate a portion of state sales taxes collected in the month of October to the Andy Hill cancer research endowment fund.

**Sec.**  RCW 82.08.020 and 2022 c 16 s 145 are each amended to read as follows:

(1) There is levied and collected a tax equal to ((~~six and five-tenths~~)) 6.5 percent of the selling price on each retail sale in this state of:

(a) Tangible personal property, unless the sale is specifically excluded from the RCW 82.04.050 definition of retail sale;

(b) Digital goods, digital codes, and digital automated services, if the sale is included within the RCW 82.04.050 definition of retail sale;

(c) Services, other than digital automated services, included within the RCW 82.04.050 definition of retail sale;

(d) Extended warranties to consumers; and

(e) Anything else, the sale of which is included within the RCW 82.04.050 definition of retail sale.

(2) There is levied and collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to ((~~five and nine-tenths~~)) 5.9 percent of the selling price. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(3) Beginning July 1, 2003, there is levied and collected an additional tax of ((~~three-tenths of one~~)) 0.3 percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(4) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include:

(a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of cannabis;

(b) Off-road vehicles as defined in RCW 46.04.365;

(c) Nonhighway vehicles as defined in RCW 46.09.310; and

(d) Snowmobiles as defined in RCW 46.04.546.

(5) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section must be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection must be deposited in the performance audits of government account created in RCW 43.09.475.

(6)(a) Beginning October 1, 2024, and each year thereafter, 0.25 percent of the taxes collected under subsection (1) of this section during the month of October and remitted to the department during the month of November is dedicated to the Andy Hill cancer research endowment fund match transfer account created in RCW 43.348.080. The department must calculate the amount to be transferred under this subsection and notify the state treasurer by December 31, 2024, and each December 31st thereafter. The state treasurer must make the transfer required under this subsection within 60 days of being notified by the department.

(b) The calculation under (a) of this subsection must occur after calculating the amount subject to the tribal retail tax compacts under RCW 43.06.523.

(7) The taxes imposed under this chapter apply to successive retail sales of the same property.

((~~(7)~~)) (8) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

**Sec.**  RCW 43.348.080 and 2022 c 297 s 961 are each amended to read as follows:

(1) The Andy Hill cancer research endowment fund match transfer account is created ((~~in the custody of the state treasury~~)) to be used solely and exclusively for the program created in RCW 43.348.040. Moneys in the account may be spent only after appropriation. The purpose of the account is to provide matching funds for the fund and administrative costs. Expenditures to fund or reimburse the program administrator are not subject to the requirements of subsection (4) of this section.

(2)(a) The legislature must appropriate a state match, up to a maximum of ((~~ten million dollars~~)) $10,000,000 annually, beginning July 1, 2016, and each July 1st following the end of the fiscal year from tax collections and penalties generated from enforcement of state taxes on cigarettes and other tobacco products by the state liquor and cannabis board or other federal, state or local law or tax enforcement agency, as determined by the department of revenue. Tax collections include any cigarette tax, other tobacco product tax, and retail sales and use tax. Any amounts deposited into this account from the tax imposed under RCW 82.25.010 in excess of the cap provided in this subsection must be deposited into the foundational public health services account created in RCW 82.25.015.

(b) Any amounts deposited into this account pursuant to RCW 82.08.020(6), are in addition to the state match required under (a) of this subsection. The requirements under subsections (5) and (6) of this section do not apply to (b) of this subsection.

(3) Revenues to the account must consist of deposits into the account, taxes imposed on vapor products under RCW 82.25.010, the transfer of retail sales tax under RCW 82.08.020(6), legislative appropriations, and any gifts, grants, or donations received by the department for this purpose.

(4) Each fiscal biennium, the legislature must appropriate to the department of commerce such amounts as estimated to be the balance of the account to provide state matching funds and any amounts transferred to the account from the tax imposed on retail sales, as required under RCW 82.08.020(6).

(5) Expenditures, in the form of matching funds, from the account may be made only upon receipt of proof from the program administrator of nonstate or private contributions to the fund for the program. Expenditures, in the form of matching funds, may not exceed the total amount of nonstate or private contributions.

(6) The department must enter into an appropriate agreement with the program administrator to demonstrate exchange of consideration for the matching funds.

(7) Moneys expended into the account in fiscal year 2023 pursuant to section 706, chapter 297, Laws of 2022 are not subject to the requirements of subsections (5) and (6) of this section.

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