

SB 5277 - S AMD 257

By Senator Hasegawa

PULLED 03/29/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) This section is the tax preference
4 performance statement for the tax preferences contained in sections 2
5 through 5, chapter . . ., Laws of 2023 (sections 2 through 5 of this
6 act). This performance statement is only intended to be used for
7 subsequent evaluation of the tax preferences. It is not intended to
8 create a private right of action by any party or be used to determine
9 eligibility for preferential tax treatment.

10 (2) The legislature categorizes these tax preferences as ones
11 intended to create or retain jobs and provide tax relief for certain
12 businesses or individuals as indicated in RCW 82.32.808(2) (c) and
13 (e).

14 (3) It is the legislature's specific public policy objective to
15 create and retain jobs and continue providing tax relief to the food
16 processing industry.

17 (4) To measure the effectiveness of the deductions in sections 2
18 through 5 of this act in achieving the public policy objectives
19 described in subsection (3) of this section, the joint legislative
20 audit and review committee must evaluate the following:

21 (a) The number of businesses that claim the deductions in
22 sections 2 through 5 of this act;

23 (b) The change in total taxable income for taxpayers claiming the
24 deductions under sections 2 through 5 of this act;

25 (c) The change in total employment for taxpayers claiming the
26 deductions under sections 2 through 5 of this act; and

27 (d) For each calendar year, the total amount of deductions
28 claimed under sections 2 through 5 of this act as a percentage of
29 total taxable income for taxpayers within taxable income categories.

30 (5) The information provided in the annual report submitted by
31 the taxpayers under RCW 82.32.534, tax data collected by the
32 department of revenue, and data collected by the employment security

1 department is intended to provide the informational basis for the
2 evaluation under subsection (4) of this section.

3 (6) In addition to the data sources described under subsection
4 (5) of this section, the joint legislative audit and review committee
5 may use any other data it deems necessary in performing the
6 evaluation under subsection (4) of this section.

7 **Sec. 2.** RCW 82.04.4268 and 2020 c 139 s 6 are each amended to
8 read as follows:

9 (1) (a) In computing tax there may be deducted from the measure of
10 tax, the value of products or the gross proceeds of sales derived
11 from:

12 ~~((a))~~ (i) Manufacturing dairy products; or

13 ~~((b) Selling)~~ (ii) Except as provided otherwise in (b) of this
14 subsection, selling dairy products manufactured by the seller to
15 purchasers who either transport in the ordinary course of business
16 the goods out of this state or purchasers who use such dairy products
17 as an ingredient or component in the manufacturing of a dairy
18 product. A person taking ~~((an exemption))~~ a deduction under this
19 subsection (1) ~~((b))~~ (a) (ii) must keep and preserve records for the
20 period required by RCW 82.32.070 establishing that the goods were
21 transported by the purchaser in the ordinary course of business out
22 of this state or sold to a manufacturer for use as an ingredient or
23 component in the manufacturing of a dairy product.

24 (b) The deduction provided under (a) (ii) of this subsection does
25 not apply to the sales of dairy products on or after July 1, 2025,
26 where a dairy product is used by the purchaser as an ingredient or
27 component in the manufacturing in Washington of a dairy product.

28 (2) "Dairy products" has the same meaning as provided in RCW
29 82.04.260.

30 (3) A person claiming the ~~((exemption))~~ deduction provided in
31 this section must file a complete annual tax performance report with
32 the department under RCW 82.32.534.

33 (4) Beginning in calendar year 2024, the total amount a person
34 may claim under subsection (1) (a) of this section in any calendar
35 year may not exceed \$125,000,000.

36 (5) This section expires July 1, ((2025)) 2035.

37 **Sec. 3.** RCW 82.04.4266 and 2022 c 16 s 142 are each amended to
38 read as follows:

1 (1) (~~This chapter does not apply to~~) In computing tax there may
2 be deducted from the measure of tax, the value of products or the
3 gross proceeds of sales derived from:

4 (a) Manufacturing fruits or vegetables by canning, preserving,
5 freezing, processing, or dehydrating fresh fruits or vegetables; or

6 (b) Selling at wholesale fruits or vegetables manufactured by the
7 seller by canning, preserving, freezing, processing, or dehydrating
8 fresh fruits or vegetables and sold to purchasers who transport in
9 the ordinary course of business the goods out of this state. A person
10 taking (~~an exemption~~) a deduction under this subsection (1)(b) must
11 keep and preserve records for the period required by RCW 82.32.070
12 establishing that the goods were transported by the purchaser in the
13 ordinary course of business out of this state.

14 (2) For purposes of this section, "fruits" and "vegetables" do
15 not include cannabis, useable cannabis, or cannabis-infused products.

16 (3) A person claiming the (~~exemption~~) deduction provided in
17 this section must file a complete annual tax performance report with
18 the department under RCW 82.32.534.

19 (4) Beginning in calendar year 2024, the total amount a person
20 may claim under this section in any calendar year may not exceed
21 \$125,000,000.

22 (5) This section expires July 1, (~~2025~~) 2035.

23 **Sec. 4.** RCW 82.04.4269 and 2020 c 139 s 7 are each amended to
24 read as follows:

25 (1) (~~This chapter does not apply to~~) In computing tax there may
26 be deducted from the measure of tax, the value of products or the
27 gross proceeds of sales derived from:

28 (a) Manufacturing seafood products that remain in a raw, raw
29 frozen, or raw salted state at the completion of the manufacturing by
30 that person; or

31 (b) Selling manufactured seafood products that remain in a raw,
32 raw frozen, or raw salted state to purchasers who transport in the
33 ordinary course of business the goods out of this state. A person
34 taking (~~an exemption~~) a deduction under this subsection (1)(b) must
35 keep and preserve records for the period required by RCW 82.32.070
36 establishing that the goods were transported by the purchaser in the
37 ordinary course of business out of this state.

1 (2) A person claiming the (~~exemption~~) deduction provided in
2 this section must file a complete annual tax performance report with
3 the department under RCW 82.32.534.

4 (3) Beginning in calendar year 2024, the total amount a person
5 may claim under this section in any calendar year may not exceed
6 \$125,000,000.

7 (4) This section expires July 1, ((2025)) 2035.

8 **Sec. 5.** RCW 82.04.260 and 2022 c 16 s 140 are each amended to
9 read as follows:

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

12 (a) Wheat into flour, barley into pearl barley, soybeans into
13 soybean oil, canola into canola oil, canola meal, or canola by-
14 products, or sunflower seeds into sunflower oil; as to such persons
15 the amount of tax with respect to such business is equal to the value
16 of the flour, pearl barley, oil, canola meal, or canola by-product
17 manufactured, multiplied by the rate of 0.138 percent;

18 (b) Beginning July 1, ((2025)) 2035, seafood products that remain
19 in a raw, raw frozen, or raw salted state at the completion of the
20 manufacturing by that person; or selling manufactured seafood
21 products that remain in a raw, raw frozen, or raw salted state at the
22 completion of the manufacturing, to purchasers who transport in the
23 ordinary course of business the goods out of this state; as to such
24 persons the amount of tax with respect to such business is equal to
25 the value of the products manufactured or the gross proceeds derived
26 from such sales, multiplied by the rate of 0.138 percent. Sellers
27 must keep and preserve records for the period required by RCW
28 82.32.070 establishing that the goods were transported by the
29 purchaser in the ordinary course of business out of this state;

30 (c) (i) Except as provided otherwise in (c) (iii) of this
31 subsection, (~~from~~) beginning July 1, ((2025)) 2035, until January
32 1, ((2036)) 2046, dairy products; or selling dairy products that the
33 person has manufactured to purchasers who either transport in the
34 ordinary course of business the goods out of state or purchasers who
35 use such dairy products as an ingredient or component in the
36 manufacturing of a dairy product; as to such persons the tax imposed
37 is equal to the value of the products manufactured or the gross
38 proceeds derived from such sales multiplied by the rate of 0.138
39 percent. Sellers must keep and preserve records for the period

1 required by RCW 82.32.070 establishing that the goods were
2 transported by the purchaser in the ordinary course of business out
3 of this state or sold to a manufacturer for use as an ingredient or
4 component in the manufacturing of a dairy product.

5 (ii) For the purposes of this subsection (1)(c), "dairy products"
6 means:

7 (A) Products, not including any cannabis-infused product, that as
8 of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts
9 131, 133, and 135, including by-products from the manufacturing of
10 the dairy products, such as whey and casein; and

11 (B) Products comprised of not less than (~~seventy~~) 70 percent
12 dairy products that qualify under (c)(ii)(A) of this subsection,
13 measured by weight or volume.

14 (iii) The preferential tax rate provided to taxpayers under this
15 subsection (1)(c) does not apply to sales of dairy products on or
16 after July 1, 2023, where a dairy product is used by the purchaser as
17 an ingredient or component in the manufacturing in Washington of a
18 dairy product;

19 (d)(i) Beginning July 1, (~~2025~~) 2035, fruits or vegetables by
20 canning, preserving, freezing, processing, or dehydrating fresh
21 fruits or vegetables, or selling at wholesale fruits or vegetables
22 manufactured by the seller by canning, preserving, freezing,
23 processing, or dehydrating fresh fruits or vegetables and sold to
24 purchasers who transport in the ordinary course of business the goods
25 out of this state; as to such persons the amount of tax with respect
26 to such business is equal to the value of the products manufactured
27 or the gross proceeds derived from such sales multiplied by the rate
28 of 0.138 percent. Sellers must keep and preserve records for the
29 period required by RCW 82.32.070 establishing that the goods were
30 transported by the purchaser in the ordinary course of business out
31 of this state.

32 (ii) For purposes of this subsection (1)(d), "fruits" and
33 "vegetables" do not include cannabis, useable cannabis, or cannabis-
34 infused products; and

35 (e) Wood biomass fuel; as to such persons the amount of tax with
36 respect to the business is equal to the value of wood biomass fuel
37 manufactured, multiplied by the rate of 0.138 percent. For the
38 purposes of this section, "wood biomass fuel" means a liquid or
39 gaseous fuel that is produced from lignocellulosic feedstocks,
40 including wood, forest, or field residue and dedicated energy crops,

1 and that does not include wood treated with chemical preservations
2 such as creosote, pentachlorophenol, or copper-chrome-arsenic.

3 (2) Upon every person engaging within this state in the business
4 of splitting or processing dried peas; as to such persons the amount
5 of tax with respect to such business is equal to the value of the
6 peas split or processed, multiplied by the rate of 0.138 percent.

7 (3) Upon every nonprofit corporation and nonprofit association
8 engaging within this state in research and development, as to such
9 corporations and associations, the amount of tax with respect to such
10 activities is equal to the gross income derived from such activities
11 multiplied by the rate of 0.484 percent.

12 (4) Upon every person engaging within this state in the business
13 of slaughtering, breaking and/or processing perishable meat products
14 and/or selling the same at wholesale only and not at retail; as to
15 such persons the tax imposed is equal to the gross proceeds derived
16 from such sales multiplied by the rate of 0.138 percent.

17 (5) (a) Upon every person engaging within this state in the
18 business of acting as a travel agent or tour operator and whose
19 annual taxable amount for the prior calendar year from such business
20 was (~~two hundred fifty thousand dollars~~) \$250,000 or less; as to
21 such persons the amount of the tax with respect to such activities is
22 equal to the gross income derived from such activities multiplied by
23 the rate of 0.275 percent.

24 (b) Upon every person engaging within this state in the business
25 of acting as a travel agent or tour operator and whose annual taxable
26 amount for the prior calendar year from such business was more than
27 (~~two hundred fifty thousand dollars~~) \$250,000; as to such persons
28 the amount of the tax with respect to such activities is equal to the
29 gross income derived from such activities multiplied by the rate of
30 0.275 percent through June 30, 2019, and 0.9 percent beginning July
31 1, 2019.

32 (6) Upon every person engaging within this state in business as
33 an international steamship agent, international customs house broker,
34 international freight forwarder, vessel and/or cargo charter broker
35 in foreign commerce, and/or international air cargo agent; as to such
36 persons the amount of the tax with respect to only international
37 activities is equal to the gross income derived from such activities
38 multiplied by the rate of 0.275 percent.

39 (7) Upon every person engaging within this state in the business
40 of stevedoring and associated activities pertinent to the movement of

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

28 (8) (a) Upon every person engaging within this state in the
29 business of disposing of low-level waste, as defined in RCW
30 70A.380.010; as to such persons the amount of the tax with respect to
31 such business is equal to the gross income of the business, excluding
32 any fees imposed under chapter 70A.384 RCW, multiplied by the rate of
33 3.3 percent.

34 (b) If the gross income of the taxpayer is attributable to
35 activities both within and without this state, the gross income
36 attributable to this state must be determined in accordance with the
37 methods of apportionment required under RCW 82.04.460.

38 (9) Upon every person engaging within this state as an insurance
39 producer or title insurance agent licensed under chapter 48.17 RCW or
40 a surplus line broker licensed under chapter 48.15 RCW; as to such

1 persons, the amount of the tax with respect to such licensed
2 activities is equal to the gross income of such business multiplied
3 by the rate of 0.484 percent.

4 (10) Upon every person engaging within this state in business as
5 a hospital, as defined in chapter 70.41 RCW, that is operated as a
6 nonprofit corporation or by the state or any of its political
7 subdivisions, as to such persons, the amount of tax with respect to
8 such activities is equal to the gross income of the business
9 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
10 percent thereafter.

11 (11)(a) Beginning October 1, 2005, upon every person engaging
12 within this state in the business of manufacturing commercial
13 airplanes, or components of such airplanes, or making sales, at
14 retail or wholesale, of commercial airplanes or components of such
15 airplanes, manufactured by the seller, as to such persons the amount
16 of tax with respect to such business is, in the case of
17 manufacturers, equal to the value of the product manufactured and the
18 gross proceeds of sales of the product manufactured, or in the case
19 of processors for hire, equal to the gross income of the business,
20 multiplied by the rate of:

21 (i) 0.4235 percent from October 1, 2005, through June 30, 2007;

22 (ii) 0.2904 percent beginning July 1, 2007, through March 31,
23 2020; and

24 (iii) Beginning April 1, 2020, 0.484 percent, subject to any
25 reduction required under (e) of this subsection (11). The tax rate in
26 this subsection (11)(a)(iii) applies to all business activities
27 described in this subsection (11)(a).

28 (b) Beginning July 1, 2008, upon every person who is not eligible
29 to report under the provisions of (a) of this subsection (11) and is
30 engaging within this state in the business of manufacturing tooling
31 specifically designed for use in manufacturing commercial airplanes
32 or components of such airplanes, or making sales, at retail or
33 wholesale, of such tooling manufactured by the seller, as to such
34 persons the amount of tax with respect to such business is, in the
35 case of manufacturers, equal to the value of the product manufactured
36 and the gross proceeds of sales of the product manufactured, or in
37 the case of processors for hire, be equal to the gross income of the
38 business, multiplied by the rate of:

39 (i) 0.2904 percent through March 31, 2020; and

1 (ii) Beginning April 1, 2020, the following rates, which are
2 subject to any reduction required under (e) of this subsection (11):

3 (A) The rate under RCW 82.04.250(1) on the business of making
4 retail sales of tooling specifically designed for use in
5 manufacturing commercial airplanes or components of such airplanes;
6 and

7 (B) 0.484 percent on all other business activities described in
8 this subsection (11)(b).

9 (c) For the purposes of this subsection (11), "commercial
10 airplane" and "component" have the same meanings as provided in RCW
11 82.32.550.

12 (d)(i) In addition to all other requirements under this title, a
13 person reporting under the tax rate provided in this subsection (11)
14 must file a complete annual tax performance report with the
15 department under RCW 82.32.534. However, this requirement does not
16 apply to persons reporting under the tax rate in (a)(iii) of this
17 subsection (11), so long as that rate remains 0.484 percent, or under
18 any of the tax rates in (b)(ii)(A) and (B) of this subsection (11),
19 so long as those tax rates remain the rate imposed pursuant to RCW
20 82.04.250(1) and 0.484 percent, respectively.

21 (ii) Nothing in (d)(i) of this subsection (11) may be construed
22 as affecting the obligation of a person reporting under a tax rate
23 provided in this subsection (11) to file a complete annual tax
24 performance report with the department under RCW 82.32.534: (A)
25 Pursuant to another provision of this title as a result of claiming a
26 tax credit or exemption; or (B) pursuant to (d)(i) of this subsection
27 (11) as a result of claiming the tax rates in (a)(ii) or (b)(i) of
28 this subsection (11) for periods ending before April 1, 2020.

29 (e)(i) After March 31, 2021, the tax rates under (a)(iii) and
30 (b)(ii) of this subsection (11) must be reduced to 0.357 percent
31 provided the conditions in RCW 82.04.2602 are met. The effective date
32 of the rates authorized under this subsection (11)(e) must occur on
33 the first day of the next calendar quarter that is at least (~~sixty~~)
34 60 days after the department receives the last of the two written
35 notices pursuant to RCW 82.04.2602 (3) and (4).

36 (ii) Both a significant commercial airplane manufacturer
37 separately and the rest of the aerospace industry as a whole,
38 receiving the rate of 0.357 percent under this subsection (11)(e) are
39 subject to the aerospace apprenticeship utilization rates required
40 under RCW 49.04.220 by April 1, 2026, or five years after the

1 effective date of the 0.357 percent rate authorized under this
2 subsection (11)(e), whichever is later, as determined by the
3 department of labor and industries.

4 (iii) The provisions of RCW 82.32.805 and 82.32.808 do not apply
5 to this subsection (11)(e).

6 (f)(i) Except as provided in (f)(ii) of this subsection (11),
7 this subsection (11) does not apply on and after July 1, 2040.

8 (ii) With respect to the manufacturing of commercial airplanes or
9 making sales, at retail or wholesale, of commercial airplanes, this
10 subsection (11) does not apply on and after July 1st of the year in
11 which the department makes a determination that any final assembly or
12 wing assembly of any version or variant of a commercial airplane that
13 is the basis of a siting of a significant commercial airplane
14 manufacturing program in the state under RCW 82.32.850 has been sited
15 outside the state of Washington. This subsection (11)(f)(ii) only
16 applies to the manufacturing or sale of commercial airplanes that are
17 the basis of a siting of a significant commercial airplane
18 manufacturing program in the state under RCW 82.32.850. This
19 subsection (11)(f)(ii) continues to apply during the time that a
20 person is subject to the tax rate in (a)(iii) of this subsection
21 (11).

22 (g) For the purposes of this subsection, "a significant
23 commercial airplane manufacturer" means a manufacturer of commercial
24 airplanes with at least (~~fifty thousand~~) 50,000 full-time employees
25 in Washington as of January 1, 2021.

26 (12)(a) Until July 1, 2045, upon every person engaging within
27 this state in the business of extracting timber or extracting for
28 hire timber; as to such persons the amount of tax with respect to the
29 business is, in the case of extractors, equal to the value of
30 products, including by-products, extracted, or in the case of
31 extractors for hire, equal to the gross income of the business,
32 multiplied by the rate of 0.4235 percent from July 1, 2006, through
33 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,
34 2045.

35 (b) Until July 1, 2045, upon every person engaging within this
36 state in the business of manufacturing or processing for hire: (i)
37 Timber into timber products or wood products; (ii) timber products
38 into other timber products or wood products; or (iii) products
39 defined in RCW 19.27.570(1); as to such persons the amount of the tax
40 with respect to the business is, in the case of manufacturers, equal

1 to the value of products, including by-products, manufactured, or in
2 the case of processors for hire, equal to the gross income of the
3 business, multiplied by the rate of 0.4235 percent from July 1, 2006,
4 through June 30, 2007, and 0.2904 percent from July 1, 2007, through
5 June 30, 2045.

6 (c) Until July 1, 2045, upon every person engaging within this
7 state in the business of selling at wholesale: (i) Timber extracted
8 by that person; (ii) timber products manufactured by that person from
9 timber or other timber products; (iii) wood products manufactured by
10 that person from timber or timber products; or (iv) products defined
11 in RCW 19.27.570(1) manufactured by that person; as to such persons
12 the amount of the tax with respect to the business is equal to the
13 gross proceeds of sales of the timber, timber products, wood
14 products, or products defined in RCW 19.27.570(1) multiplied by the
15 rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and
16 0.2904 percent from July 1, 2007, through June 30, 2045.

17 (d) Until July 1, 2045, upon every person engaging within this
18 state in the business of selling standing timber; as to such persons
19 the amount of the tax with respect to the business is equal to the
20 gross income of the business multiplied by the rate of 0.2904
21 percent. For purposes of this subsection (12)(d), "selling standing
22 timber" means the sale of timber apart from the land, where the buyer
23 is required to sever the timber within (~~(thirty)~~) 30 months from the
24 date of the original contract, regardless of the method of payment
25 for the timber and whether title to the timber transfers before,
26 upon, or after severance.

27 (e) For purposes of this subsection, the following definitions
28 apply:

29 (i) "Biocomposite surface products" means surface material
30 products containing, by weight or volume, more than (~~(fifty)~~) 50
31 percent recycled paper and that also use nonpetroleum-based phenolic
32 resin as a bonding agent.

33 (ii) "Paper and paper products" means products made of interwoven
34 cellulosic fibers held together largely by hydrogen bonding. "Paper
35 and paper products" includes newsprint; office, printing, fine, and
36 pressure-sensitive papers; paper napkins, towels, and toilet tissue;
37 kraft bag, construction, and other kraft industrial papers;
38 paperboard, liquid packaging containers, containerboard, corrugated,
39 and solid-fiber containers including linerboard and corrugated
40 medium; and related types of cellulosic products containing

1 primarily, by weight or volume, cellulosic materials. "Paper and
2 paper products" does not include books, newspapers, magazines,
3 periodicals, and other printed publications, advertising materials,
4 calendars, and similar types of printed materials.

5 (iii) "Recycled paper" means paper and paper products having
6 (~~fifty~~) 50 percent or more of their fiber content that comes from
7 postconsumer waste. For purposes of this subsection (12)(e)(iii),
8 "postconsumer waste" means a finished material that would normally be
9 disposed of as solid waste, having completed its life cycle as a
10 consumer item.

11 (iv) "Timber" means forest trees, standing or down, on privately
12 or publicly owned land. "Timber" does not include Christmas trees
13 that are cultivated by agricultural methods or short-rotation
14 hardwoods as defined in RCW 84.33.035.

15 (v) "Timber products" means:

16 (A) Logs, wood chips, sawdust, wood waste, and similar products
17 obtained wholly from the processing of timber, short-rotation
18 hardwoods as defined in RCW 84.33.035, or both;

19 (B) Pulp, including market pulp and pulp derived from recovered
20 paper or paper products; and

21 (C) Recycled paper, but only when used in the manufacture of
22 biocomposite surface products.

23 (vi) "Wood products" means paper and paper products; dimensional
24 lumber; engineered wood products such as particleboard, oriented
25 strand board, medium density fiberboard, and plywood; wood doors;
26 wood windows; and biocomposite surface products.

27 (f) Except for small harvesters as defined in RCW 84.33.035, a
28 person reporting under the tax rate provided in this subsection (12)
29 must file a complete annual tax performance report with the
30 department under RCW 82.32.534.

31 (g) Nothing in this subsection (12) may be construed to affect
32 the taxation of any activity defined as a retail sale in RCW
33 82.04.050(2) (b) or (c), defined as a wholesale sale in RCW
34 82.04.060(2), or taxed under RCW 82.04.280(1)(g).

35 (13) Upon every person engaging within this state in inspecting,
36 testing, labeling, and storing canned salmon owned by another person,
37 as to such persons, the amount of tax with respect to such activities
38 is equal to the gross income derived from such activities multiplied
39 by the rate of 0.484 percent.

1 (14)(a) Upon every person engaging within this state in the
2 business of printing a newspaper, publishing a newspaper, or both,
3 the amount of tax on such business is equal to the gross income of
4 the business multiplied by the rate of 0.35 percent until July 1,
5 2024, and 0.484 percent thereafter.

6 (b) A person reporting under the tax rate provided in this
7 subsection (14) must file a complete annual tax performance report
8 with the department under RCW 82.32.534."

SB 5277 - S AMD 257
By Senator Hasegawa

PULLED 03/29/2023

9 On page 1, line 2 of the title, after "processors;" strike the
10 remainder of the title and insert "amending RCW 82.04.4268,
11 82.04.4266, 82.04.4269, and 82.04.260; creating a new section; and
12 providing expiration dates."

EFFECT: Changes the dairy, fruit and vegetable, and seafood
processing B&O tax exemptions to deductions. Limits the total amount
a business may deduct each year to \$125 million.

--- END ---