
SENATE BILL 5088

State of Washington

69th Legislature

2025 Regular Session

By Senator Chapman

Prefiled 12/19/24.

1 AN ACT Relating to authorizing counties to impose a public
2 utility tax; and adding a new chapter to Title 82 RCW.

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

4 NEW SECTION. **Sec. 1.** (1) Subject to the conditions and
5 requirements of this section, the legislative authority of any county
6 may impose an excise tax on the privilege of engaging in business as
7 a utility. The tax is equal to the gross income of the utility
8 derived from providing service to consumers within the county
9 multiplied by the rate imposed by the legislative authority.

10 (2) A county may not impose a rate of tax that exceeds three
11 percent.

12 (3) A utility subject to tax under this section must add the tax
13 to the rates or charges it makes for utility services and separately
14 state the amount of tax on billings.

15 (4) A county may initially impose the tax authorized under this
16 section only on the first day of a calendar quarter and no sooner
17 than 75 days from the date the county adopts the ordinance or
18 resolution imposing the tax.

19 (5) A county may provide exemptions for sales by utilities to
20 business customers, such as manufacturing facilities, aircraft repair
21 facilities, industrial parks, industrial facilities, farm businesses,

1 and computer data centers. A county may not provide a general
2 exemption for sales by utilities to residential customers unless
3 business customers are also exempt.

4 (6) A county must allow a credit against the tax imposed under
5 the authority of this section for the amount of any similar utility
6 tax imposed by a city or town on the same taxable event. The credit
7 required by this subsection may not exceed the amount of tax
8 otherwise due.

9 NEW SECTION. **Sec. 2.** The definitions in this section apply
10 throughout this chapter unless the context clearly requires
11 otherwise.

12 (1) "Cable service utility" means a person providing cable
13 service as defined in the federal telecommunications act of 1996.

14 (2) "Electrical power utility" means a light and power business
15 as defined in RCW 82.16.010.

16 (3) "Gas utility" means a gas distribution business as defined in
17 RCW 82.16.010.

18 (4) "Gross income" has the same meaning as provided in RCW
19 82.16.010.

20 (5) "Sewer utility" means a sewerage collection business as that
21 term is used in chapter 82.16 RCW.

22 (6) "Solid waste utility" means a solid waste collection business
23 as defined in RCW 82.18.010.

24 (7) "Telephone utility" means a person providing
25 telecommunications service as defined in RCW 82.04.065.

26 (8) "Utility" means an electrical power utility, gas utility,
27 telephone utility, water utility, sewer utility, solid waste utility,
28 or cable service utility.

29 (9) "Water utility" means a water distribution business as
30 defined in RCW 82.16.010.

31 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act constitute a
32 new chapter in Title 82 RCW to be codified as chapter 82.16A RCW.

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