Chapter 19.430 RCW
DUTY-FREE SALES ENTERPRISES—CONCESSION FEES

Sections

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RCW 19.430.010 Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Concession fee" means payment of a monetary fee by a duty-free sales enterprise to Washington state in relation to the sale of merchandise from a duty-free sales enterprise operating in Washington.

(2) "Department" means the department of revenue.

(3) "Duty-free sales enterprise" has the same meaning as in 19 U.S.C. Sec. 1555(b)(8), as it exists on January 1, 2026, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this title.

(4) "Gross proceeds of sales" has the same meaning as in RCW 82.04.070.

(5) "Merchandise" means all items, goods, and products sold by a duty-free sales enterprise including but not limited to beer, wine, spirits, liquor, cigarettes, other tobacco products, vapor products, nicotine products, nonalcoholic beverages, food, clothing, jewelry, fragrances, cosmetics, accessories, electronics, books, magazines, souvenirs, and all other items, goods, and products whatsoever.

(6) "Sales" has the same meaning as in RCW 82.04.040. [2025 c 406 s 2.]

Findings—Intent—2025 c 406: "(1) The legislature finds that federal law in 19 U.S.C. Sec. 1555 recognizes the authority of states and governmental authorities, incident to their jurisdiction over any airport, seaport, or other exit point facility, to require a concession or other form of approval to be obtained with respect to the operation of a duty-free sales enterprise under which merchandise is delivered to or through such facility for exportation.

(2) The legislature finds that congress in enacting the omnibus trade and competitiveness act of 1988, H.R. 4848, specifically recognized that concession fees derived from the operations of authorized duty-free sales enterprises constitute an important source of revenue for the state and other governmental authorities that collect such fees.

(3) The legislature finds that duty-free sales enterprises operate in Washington including at airports and locations within Washington near international borders, and engage in sales of alcohol, cigarettes, other tobacco products, vapor products, nicotine products, and various kinds of merchandise. The legislature finds that Washington has jurisdiction over these facilities, locations, and duty-free sales enterprises operating in Washington, and that Washington does not currently require concession fees of duty-free sales enterprises to the extent authorized by federal law for collecting this important source of revenue.

(4) Therefore, the legislature intends to impose concession fees on duty-free sales enterprises operating within Washington as provided in this act." [2025 c 406 s 1.]

Effective date—2025 c 406: "This act takes effect January 1, 2026." [2025 c 406 s 8.]

RCW 19.430.020 Duty-free sales enterprises—Concession fees levied. (1) Upon every duty-free sales enterprise operating in Washington, there is levied and collected a concession fee in an amount equal to the gross proceeds of sales of merchandise by the duty-free sales enterprise, multiplied by the rate of 0.10.

(2) The concession fee in this section is separate and in addition to business and occupation taxes and all other taxes and fees applicable to duty-free sales enterprises operating in Washington including a concession fee paid to a port authority or other governmental authority.

(3) The concession fee may be stated separately from the selling price. For purposes of determining the amount due from the buyer to the seller, it is conclusively presumed that the selling price quoted in any price list does not include concession fees imposed by this section.

(4) The moneys collected pursuant to this section shall be distributed as follows:

(a) For amounts appropriated to the department of revenue for the implementation and administration of chapter 406, Laws of 2025; and

(b) Beginning July 1, 2025, and annually thereafter, the moneys remaining after the amounts appropriated pursuant to subsection (a) [(a) of this subsection] shall be deposited as follows:

(i) Fifty percent into the statewide tourism marketing account created in RCW 43.384.040; and

(ii) Fifty percent into the sustainable aviation fuel account created in RCW 43.31.645.

(5) The department shall implement this chapter and may establish procedures and requirements for the payment of concession fees by duty-free sales enterprises and the collection of such concession fees.

(6) All other administrative provisions of chapter 82.32 RCW have full force and application with respect to the fee imposed under this section. [2025 c 406 s 3.]

Findings—Intent—Effective date—2025 c 406: See notes following RCW 19.430.010.

RCW 19.430.030 Rule making. The department may adopt rules to implement this chapter. [2025 c 406 s 6.]

Findings—Intent—Effective date—2025 c 406: See notes following RCW 19.430.010.