

RCW 82.32.865 Nonresident vessel permit. (Effective until January 1, 2029.) (1) A nonresident vessel owner that is not a natural person, or a nonresident vessel owner who intends to charter the vessel with a captain or crew as provided in RCW 88.02.620(1)(b)(ii), must apply directly to the department for written approval to obtain a nonresident vessel permit under RCW 88.02.620. The application must be made to the department in a form and manner prescribed by the department and must include:

- (a) The name of the record owner of the vessel;
- (b) The name, address, and telephone number of the individual that applied for the permit;
- (c) The record owner's address and telephone number;
- (d) The vessel's hull identification number;
- (e) The vessel year, make, and model;
- (f) The vessel length;
- (g) The vessel's registration or numbering under the state of principal operation or the valid number under federal law;
- (h) Proof of the person's current nonresident status, including, as applicable, certified copies of the filed articles of incorporation, a certificate of formation, or similar filings;
- (i) Proof of the identity and current residency of the natural person owning the charter vessel or all principals of the nonresident person owning the vessel. Such proof may include a valid driver's license verifying out-of-state residency or a valid identification card that has a photograph of the holder and is issued by an out-of-state jurisdiction;
- (j) An affidavit signed by the owner of the nonresident charter vessel, or by a principal of the entity owning the nonresident vessel, certifying that the owner is not a Washington resident or that no Washington residents are principals of the nonresident vessel owner, as the case may be; and
- (k) Any other information the department may require.

(2) The department must determine the nonresident vessel owner's eligibility for the permit, as provided in RCW 88.02.620. The department may require additional proof of eligibility directly from the nonresident vessel owner.

(3)(a) If the department determines that the nonresident vessel owner has established by clear, cogent, and convincing evidence that it is eligible for the permit, the department must provide written approval to the nonresident vessel owner that authorizes issuance of the permit and includes the name of the nonresident vessel owner, the name of the vessel, and the hull identification number. Otherwise, the department must refuse to authorize the issuance of the permit.

(b) The department must also provide the information in the written approval to the department of licensing.

(4)(a) If, after a permit has been issued under RCW 88.02.620, the department has reason to believe that the nonresident vessel owner was not eligible for the permit approved under subsection (3) of this section, the department may request such information from the nonresident vessel owner as the department determines is necessary to conduct a review of the nonresident vessel owner's eligibility.

(b) If the department finds the nonresident person was not eligible for the permit, the department must assess against the nonresident person state and local use tax on the value of the vessel according to the "value of the article used" as defined in RCW 82.12.010. The department must also assess against the nonresident person any watercraft excise tax due under chapter 82.49 RCW.

Penalties and interest as provided in this chapter and chapter 82.49 RCW apply to taxes assessed under this subsection (4).

(5) For purposes of this section, "principal" means a natural person that owns, directly or indirectly, including through any tiered ownership structure, more than a one percent interest in the nonresident person applying for a nonresident vessel permit.

(6) By January 1, 2026, the department must submit a report to the governor and the transportation and fiscal committees of the legislature. The report must include:

(a) The number of nonresident vessel permits the department authorized for approval in each calendar year since September 1, 2015, and the length of such vessels;

(b) The number of nonresident vessel permits the department authorized for approval in each calendar year since July 25, 2021, for vessels chartered with a captain or crew;

(c) Information about the state or country where the vessels described in (a) and (b) of this subsection are primarily operated;

(d) The amount of use tax collected on vessels described in (b) of this subsection;

(e) A discussion of any evidence of fraud or attempted fraud related to nonresident vessel permits or permit applications; and

(f) Any other information the department determines may be relevant.

(7) The department may adopt rules to implement this section. [2021 c 150 § 3; 2015 3rd sp.s. c 6 § 805.]

Expiration date—2021 c 150: See note following RCW 88.02.620.

Expiration date—2021 c 150; 2017 c 323; 2015 3rd sp.s. c 6 §§ 802-805: See note following RCW 88.02.620.

Findings—Intent—Tax preference performance statement—2021 c 150; 2017 c 323; 2015 3rd sp.s. c 6 §§ 802-805: See note following RCW 88.02.640.

Effective date—2015 3rd sp.s. c 6: See note following RCW 82.04.4266.

RCW 82.32.865 Nonresident vessel permit. (Effective January 1, 2029, until January 1, 2031.) (1) A nonresident vessel owner that is not a natural person must apply directly to the department for written approval to obtain a nonresident vessel permit under RCW 88.02.620. The application must be made to the department in a form and manner prescribed by the department and must include:

(a) The name of the record owner of the vessel;

(b) The name, address, and telephone number of the individual that applied for the permit on behalf of the nonresident person;

(c) The record owner's address and telephone number;

(d) The vessel's hull identification number;

(e) The vessel year, make, and model;

(f) The vessel length;

(g) The vessel's registration or numbering under the state of principal operation or the valid number under federal law;

(h) Proof of the person's current nonresident status, including certified copies of the filed articles of incorporation, a certificate of formation, or similar filings;

(i) Proof of the identity and current residency of all principals of the nonresident person. Such proof may include a valid driver's license verifying out-of-state residency or a valid identification card that has a photograph of the holder and is issued by an out-of-state jurisdiction;

(j) An affidavit signed by a principal of the nonresident vessel owner certifying that no Washington residents are principals of the nonresident vessel owner; and

(k) Any other information the department may require.

(2) The department must determine the nonresident vessel owner's eligibility for the permit, as provided in RCW 88.02.620, and may request additional information as needed directly from the nonresident vessel owner.

(3) (a) If the nonresident vessel owner appears eligible for the permit, the department must provide written approval to the nonresident vessel owner that authorizes issuance of the permit and includes the name of the nonresident vessel owner, the name of the vessel, and the hull identification number. After November 30, 2025, the department may not provide written approval for any permits under this subsection.

(b) The department must also provide the information in the written approval to the department of licensing.

(4) (a) If, after a permit has been issued under RCW 88.02.620, the department has reason to believe that the nonresident vessel owner was not eligible for the permit approved under subsection (3) of this section, the department may request such information from the nonresident vessel owner as the department determines is necessary to conduct a review of the nonresident vessel owner's eligibility.

(b) If the department finds the nonresident person was not eligible for the permit, the department must assess against the nonresident person state and local use tax on the value of the vessel according to the "value of the article used" as defined in RCW 82.12.010. The department must also assess against the nonresident person any watercraft excise tax due under chapter 82.49 RCW. Penalties and interest as provided in this chapter and chapter 82.49 RCW apply to taxes assessed under this subsection (4).

(5) For purposes of this section, "principal" means a natural person that owns, directly or indirectly, including through any tiered ownership structure, more than a one percent interest in the nonresident person applying for a nonresident vessel permit.

(6) The department may adopt rules to implement this section.
[2015 3rd sp.s. c 6 § 805.]

Expiration date—2017 c 323; 2015 3rd sp.s. c 6 §§ 802-805: See note following RCW 88.02.620.

Findings—Intent—Tax preference performance statement—2017 c 323; 2015 3rd sp.s. c 6 §§ 802-805: See note following RCW 88.02.640.

Effective date—2015 3rd sp.s. c 6: See note following RCW 82.04.4266.