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ENGROSSED SUBSTITUTE SENATE BILL 5929

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State of Washington                      52nd Legislature                      1991 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Cantu, McDonald and Rasmussen).

Read first time March 11, 1991.

1            AN ACT Relating to an exemption from retail sales tax and business  
2 and occupation tax for meals served no more frequently than once a week  
3 by a nonprofit organization for fundraising purposes; amending RCW  
4 82.04.365 and 82.08.0251; adding a new section to chapter 82.12 RCW;  
5 and declaring an emergency.

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

7            **Sec. 1.** RCW 82.04.365 and 1979 ex.s. c 196 s 7 are each amended to  
8 read as follows:

9            (1) This chapter does not apply to amounts derived by a nonprofit  
10 organization as a result of conducting or participating in a bazaar or  
11 rummage sale if:

12            (a) The organization does not conduct or participate in more than  
13 two bazaars or rummage sales per year; and

14            (b) Each bazaar or rummage sale does not extend over a period of  
15 more than two days( ~~and~~

1       ~~(c) The gross income received by each organization from each bazaar~~  
2 ~~or rummage sale does not exceed one thousand dollars)).~~

3       (2) This chapter does not apply to amounts derived by a nonprofit  
4 organization as a result of serving meals for fundraising purposes if  
5 the meals are served no more frequently than once a week.

6       (3) This chapter does not apply to amounts derived from the sale of  
7 food products by a nonprofit organization operating an area, district,  
8 county, or community fair, or an agricultural fair or exhibition as  
9 defined in chapters 15.76 and 36.37 RCW.

10       (4) For purposes of this section, "nonprofit organization" means an  
11 organization that meets all of the following criteria:

12       (a) The members, stockholders, officers, directors, or trustees of  
13 the organization do not receive any part of the organization's gross  
14 income, except as payment for services rendered;

15       (b) The compensation received by any person for services rendered  
16 to the organization does not exceed an amount reasonable under the  
17 circumstances; and

18       (c) The activities of the organization do not include a substantial  
19 amount of political activity, including but not limited to influencing  
20 legislation and participation in any campaign on behalf of any  
21 candidate for political office.

22       **Sec. 2.** RCW 82.08.0251 and 1980 c 37 s 19 are each amended to read  
23 as follows:

24       The tax levied by RCW 82.08.020 shall not apply to casual and  
25 isolated sales of property or service, unless made by a person who is  
26 engaged in a business activity taxable under chapters 82.04 or 82.16  
27 RCW: PROVIDED, That the exemption provided by this section shall not  
28 be construed as providing any exemption from the tax imposed by chapter  
29 82.12 RCW.

1        As used in this section "casual and isolated" includes, but is not  
2 limited to, sales in which the gross proceeds of sales are exempt under  
3 RCW 82.04.365.

4        NEW SECTION. Sec. 3. A new section is added to chapter 82.12 RCW  
5 to read as follows:

6        The provisions of this chapter shall not apply to meals which are  
7 exempt from tax under RCW 82.04.365.

8        NEW SECTION. Sec. 4.        This act is necessary for the immediate  
9 preservation of the public peace, health, or safety, or support of the  
10 state government and its existing public institutions, and shall take  
11 effect immediately.