
SUBSTITUTE SENATE BILL 5435

State of Washington

52nd Legislature

1991 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators L. Kreidler, Metcalf, Owen, Amondson, Sutherland, Snyder, Patterson, Oke, Wojahn and Conner).

Read first time March 6, 1991.

1 AN ACT Relating to the taxation of redeemable credits or deposits
2 on automotive products; amending RCW 82.04.070 and 82.04.090; adding a
3 new section to chapter 82.04 RCW; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW,
6 to be codified between RCW 82.04.010 and 82.04.212, to read as follows:
7 "Redeemable credits or deposits" means a refundable sum of money or
8 value paid by a purchaser and received by a seller to induce the return
9 of used automotive products, such as batteries, starters, and brakes,
10 for the purpose of maximizing waste reduction, reuse, recycling, or
11 remanufacture, and includes core charges under RCW 70.95.640.

12 **Sec. 2.** RCW 82.04.070 and 1961 c 15 s 82.04.070 are each amended
13 to read as follows:

1 "Gross proceeds of sales" means the value proceeding or accruing
2 from the sale of tangible personal property and/or for services
3 rendered, without any deduction on account of the cost of property
4 sold, the cost of materials used, labor costs, interest, discount paid,
5 delivery costs, taxes, or any other expense whatsoever paid or accrued
6 and without any deduction on account of losses. "Gross proceeds of
7 sales" does not include redeemable credits or deposits that are
8 received from or redeemed by a purchaser of automotive products.

9 **Sec. 3.** RCW 82.04.090 and 1975 1st ex.s. c 278 s 40 are each
10 amended to read as follows:

11 "Value proceeding or accruing" means the consideration, whether
12 money, credits, rights, or other property expressed in terms of money,
13 actually received or accrued. The term shall be applied, in each case,
14 on a cash receipts or accrual basis according to which method of
15 accounting is regularly employed in keeping the books of the taxpayer.
16 The department of revenue may provide by regulation that the value
17 proceeding or accruing from sales on the installment plan under
18 conditional contracts of sale may be reported as of the dates when the
19 payments become due. "Value proceeding or accruing" does not include
20 any values ascribed, attributed, or imputed to used automotive products
21 retained by the seller in connection with redeemable credits and
22 deposits that do not exceed the deposit redeemed by the purchaser.

23 NEW SECTION. **Sec. 4.** This act shall take effect August 1,
24 1991.