
SUBSTITUTE SENATE BILL 5929

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 providing an effective date; 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) For purposes of this section, "nonprofit organization" means an
7 organization that meets all of the following criteria:

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

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

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

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

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

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

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
2 to read as follows:

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

5 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and shall take
8 effect July 1, 1991.