

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2672

Chapter 218, Laws of 1992

52nd Legislature
1992 Regular Session

CELLULAR COMMUNICATIONS TAXATION STUDY

EFFECTIVE DATE: 4/2/92

Passed by the House February 17, 1992
Yeas 91 Nays 0

JOE KING
**Speaker of the
House of Representatives**

Passed by the Senate March 5, 1992
Yeas 48 Nays 0

JOEL PRITCHARD
President of the Senate

Approved April 2, 1992

BOOTH GARDNER
Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is SUBSTITUTE HOUSE BILL 2672 as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON
Chief Clerk

FILED

April 2, 1992 - 12:13 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2672

Passed Legislature - 1992 Regular Session

State of Washington 52nd Legislature 1992 Regular Session

By House Committee on Revenue (originally sponsored by Representatives Wang, Ebersole, Ballard, Brumsickle and Wynne)

Read first time 02/11/92.

1 AN ACT Relating to the tax status of cellular communications;
2 creating new sections; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** As used in this act "cellular
5 communications" includes radio common carrier communications.

6 NEW SECTION. **Sec. 2.** (1) The legislature finds that:

7 (a) Cellular communications is a new, rapidly changing, capital-
8 intensive, and complex industry;

9 (b) Cellular technology is so new that there are substantial public
10 policy questions regarding valuation, taxation, and other assessments
11 of cellular communication equipment and services;

1 (c) A thorough study of cellular communications equipment,
2 property, and services is necessary to address the questions of equity,
3 fairness, and consistent tax treatment by state and local government.

4 (2) The intent of this act is to study and define what cellular
5 communications is, recommend to the legislature how it is to be taxed
6 and assessed, and to clear up any inconsistencies that may exist among
7 different units of government.

8 NEW SECTION. **Sec. 3.** (1) The department of revenue shall
9 conduct a study of the taxation and assessment of cellular
10 communications property, equipment, and services. The study shall
11 focus on the policy implications involved in developing clear
12 definitions of cellular communications equipment, property, and
13 services that should be taxable, at what rate, and under what
14 definition, as well as what should be exempt. The study shall include
15 an examination of:

16 (a) Definitions of cellular communications real property,
17 equipment, and services;

18 (b) Taxation of cellular communication in other states;

19 (c) Alternatives to the current methods of taxation;

20 (d) The advantages or disadvantages of change, revision, or
21 alternatives to the present tax treatment of cellular communications;

22 (e) A complete inventory of all types of state and local taxes paid
23 including, but not limited to, utility taxes, property taxes, sales and
24 use taxes, and per-line charges paid to the state and local
25 governments.

26 (2) To perform the study, the department shall form an advisory
27 study committee with balanced representation from different segments of
28 government and industry. The advisory committee must include, but need
29 not be limited to, two members from the house of representatives, two

1 members from the senate, persons representing the department, cellular
2 communication companies, tax specialists, representatives from county
3 and city government, large and small businesses that use cellular
4 communication devices.

5 (3) The department shall provide staff for the purposes of the
6 study.

7 (4) The department shall present an interim report of the findings
8 of the study to the committees of the legislature that deal with
9 revenue matters no later than December 1, 1992, and shall present a
10 final report to the same committees no later than December 1, 1993.

11 NEW SECTION. **Sec. 4.** If specific funding for this act,
12 referencing this act by bill number, is not provided by June 30, 1992,
13 in the supplemental biennial operating appropriations act, this act
14 shall be null and void.

15 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and shall take
18 effect immediately.

Passed the House February 17, 1992.

Passed the Senate March 5, 1992.

Approved by the Governor April 2, 1992.

Filed in Office of Secretary of State April 2, 1992.