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HOUSE BILL 2911

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State of Washington

53rd Legislature

1994 Regular Session

By Representatives R. Meyers, Mielke, Kremen, Fuhrman, Appelwick, Ballard, R. Johnson, Heavey, Van Luven, G. Fisher, Backlund, Moak, Bray, Dyer, L. Thomas and Talcott

Read first time 02/04/94. Referred to Committee on Revenue.

1 AN ACT Relating to the business and occupation tax on insurance  
2 agents, solicitors, and brokers; amending RCW 82.04.260; and providing  
3 an effective date.

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

5 **Sec. 1.** RCW 82.04.260 and 1993 sp.s. c 25 s 104 are each amended  
6 to read as follows:

7 (1) Upon every person engaging within this state in the business of  
8 buying wheat, oats, dry peas, dry beans, lentils, triticale, corn, rye  
9 and barley, but not including any manufactured or processed products  
10 thereof, and selling the same at wholesale; the tax imposed shall be  
11 equal to the gross proceeds derived from such sales multiplied by the  
12 rate of 0.011 percent.

13 (2) Upon every person engaging within this state in the business of  
14 manufacturing wheat into flour, barley into pearl barley, soybeans into  
15 soybean oil, or sunflower seeds into sunflower oil; as to such persons  
16 the amount of tax with respect to such business shall be equal to the  
17 value of the flour, pearl barley, or oil manufactured, multiplied by  
18 the rate of 0.138 percent.

1 (3) Upon every person engaging within this state in the business of  
2 splitting or processing dried peas; as to such persons the amount of  
3 tax with respect to such business shall be equal to the value of the  
4 peas split or processed, multiplied by the rate of 0.275 percent.

5 (4) Upon every person engaging within this state in the business of  
6 manufacturing seafood products which remain in a raw, raw frozen, or  
7 raw salted state at the completion of the manufacturing by that person;  
8 as to such persons the amount of tax with respect to such business  
9 shall be equal to the value of the products manufactured, multiplied by  
10 the rate of 0.138 percent.

11 (5) Upon every person engaging within this state in the business of  
12 manufacturing by canning, preserving, freezing or dehydrating fresh  
13 fruits and vegetables; as to such persons the amount of tax with  
14 respect to such business shall be equal to the value of the products  
15 canned, preserved, frozen or dehydrated multiplied by the rate of 0.33  
16 percent.

17 (6) Upon every nonprofit corporation and nonprofit association  
18 engaging within this state in research and development, as to such  
19 corporations and associations, the amount of tax with respect to such  
20 activities shall be equal to the gross income derived from such  
21 activities multiplied by the rate of 0.484 percent.

22 (7) Upon every person engaging within this state in the business of  
23 slaughtering, breaking and/or processing perishable meat products and/  
24 or selling the same at wholesale only and not at retail; as to such  
25 persons the tax imposed shall be equal to the gross proceeds derived  
26 from such sales multiplied by the rate of 0.138 percent.

27 (8) Upon every person engaging within this state in the business of  
28 making sales, at retail or wholesale, of nuclear fuel assemblies  
29 manufactured by that person, as to such persons the amount of tax with  
30 respect to such business shall be equal to the gross proceeds of sales  
31 of the assemblies multiplied by the rate of 0.275 percent.

32 (9) Upon every person engaging within this state in the business of  
33 manufacturing nuclear fuel assemblies, as to such persons the amount of  
34 tax with respect to such business shall be equal to the value of the  
35 products manufactured multiplied by the rate of 0.275 percent.

36 (10) Upon every person engaging within this state in the business  
37 of acting as a travel agent; as to such persons the amount of the tax  
38 with respect to such activities shall be equal to the gross income  
39 derived from such activities multiplied by the rate of 0.275 percent.

1 (11) Upon every person engaging within this state in business as an  
2 international steamship agent, international customs house broker,  
3 international freight forwarder, vessel and/or cargo charter broker in  
4 foreign commerce, and/or international air cargo agent; as to such  
5 persons the amount of the tax with respect to only international  
6 activities shall be equal to the gross income derived from such  
7 activities multiplied by the rate of 0.363 percent.

8 (12) Upon every person engaging within this state in the business  
9 of stevedoring and associated activities pertinent to the movement of  
10 goods and commodities in waterborne interstate or foreign commerce; as  
11 to such persons the amount of tax with respect to such business shall  
12 be equal to the gross proceeds derived from such activities multiplied  
13 by the rate of 0.363 percent. Persons subject to taxation under this  
14 subsection shall be exempt from payment of taxes imposed by chapter  
15 82.16 RCW for that portion of their business subject to taxation under  
16 this subsection. Stevedoring and associated activities pertinent to  
17 the conduct of goods and commodities in waterborne interstate or  
18 foreign commerce are defined as all activities of a labor, service or  
19 transportation nature whereby cargo may be loaded or unloaded to or  
20 from vessels or barges, passing over, onto or under a wharf, pier, or  
21 similar structure; cargo may be moved to a warehouse or similar holding  
22 or storage yard or area to await further movement in import or export  
23 or may move to a consolidation freight station and be stuffed,  
24 unstuffed, containerized, separated or otherwise segregated or  
25 aggregated for delivery or loaded on any mode of transportation for  
26 delivery to its consignee. Specific activities included in this  
27 definition are: Wharfage, handling, loading, unloading, moving of  
28 cargo to a convenient place of delivery to the consignee or a  
29 convenient place for further movement to export mode; documentation  
30 services in connection with the receipt, delivery, checking, care,  
31 custody and control of cargo required in the transfer of cargo;  
32 imported automobile handling prior to delivery to consignee; terminal  
33 stevedoring and incidental vessel services, including but not limited  
34 to plugging and unplugging refrigerator service to containers,  
35 trailers, and other refrigerated cargo receptacles, and securing ship  
36 hatch covers.

37 (13) Upon every person engaging within this state in the business  
38 of disposing of low-level waste, as defined in RCW 43.145.010; as to  
39 such persons the amount of the tax with respect to such business shall

1 be equal to the gross income of the business, excluding any fees  
2 imposed under chapter 43.200 RCW, multiplied by the rate of 3.3  
3 percent.

4 If the gross income of the taxpayer is attributable to activities  
5 both within and without this state, the gross income attributable to  
6 this state shall be determined in accordance with the methods of  
7 apportionment required under RCW 82.04.460.

8 (14) Upon every person engaging within this state as an insurance  
9 agent, insurance broker, or insurance solicitor licensed under chapter  
10 48.17 RCW; as to such persons, the amount of the tax with respect to  
11 such licensed activities shall be equal to the gross income of such  
12 business multiplied by the rate of (~~(1.1)~~) .55 percent.

13 (15) Upon every person engaging within this state in business as a  
14 hospital, as defined in chapter 70.41 RCW, that is operated as a  
15 nonprofit corporation or by the state or any of its political  
16 subdivisions, as to such persons, the amount of tax with respect to  
17 such activities shall be equal to the gross income of the business  
18 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5  
19 percent thereafter. The moneys collected under this subsection shall  
20 be deposited in the health services account created under RCW  
21 43.72.900.

22 NEW SECTION. **Sec. 2.** This act shall take effect July 1, 1994.

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