
HOUSE BILL 2912

State of Washington

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By Representatives Appelwick, Mielke, Kremen, Fuhrman, Heavey, Ballard, Van Luven, R. Johnson, 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 taxation of insurance agents, brokers, and
2 solicitors; amending RCW 82.04.260; reenacting and amending RCW
3 82.04.360; and providing 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 percent.~~

13 ~~(15))~~ Upon every person engaging within this state in business as
14 a 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 **Sec. 2.** RCW 82.04.360 and 1991 c 324 s 19 and 1991 c 275 s 2 are
23 each reenacted and amended to read as follows:

24 (1) This chapter shall not apply to any person in respect to his or
25 her employment in the capacity of an employee or servant as
26 distinguished from that of an independent contractor. For the purposes
27 of this section, the definition of employee shall include those persons
28 that are defined in section 3121(d)(3)(B) of the Internal Revenue Code
29 of 1986, as amended through January 1, 1991. Independent agents of
30 businesses engaged within this state in the business of insurance are
31 not employees for the purposes of this chapter.

32 (2) A booth renter, as defined by RCW 18.16.020, is an independent
33 contractor for purposes of this chapter.

34 NEW SECTION. **Sec. 3.** This act shall take effect July 1, 1994.

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