

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2582**

53rd Legislature  
1994 Regular Session

Passed by the House February 12, 1994  
Yeas 91 Nays 0

\_\_\_\_\_  
**Speaker of the  
House of Representatives**

Passed by the Senate March 1, 1994  
Yeas 49 Nays 0

\_\_\_\_\_  
**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Marilyn Showalter, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2582** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

---

**SUBSTITUTE HOUSE BILL 2582**

---

Passed Legislature - 1994 Regular Session

**State of Washington                      53rd Legislature                      1994 Regular Session**

**By House Committee on Revenue (originally sponsored by Representatives Sheldon and Holm)**

Read first time 02/07/94.

1            AN ACT Relating to leasehold excise taxes; amending RCW 82.29A.060  
2 and 82.29A.120; and declaring an emergency.

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

4            **Sec. 1.** RCW 82.29A.060 and 1975-'76 2nd ex.s. c 61 s 6 are each  
5 amended to read as follows:

6            (1) All administrative provisions in chapters 82.02 and 82.32  
7 RCW((, as now or hereafter amended)) shall be applicable to taxes  
8 imposed pursuant to this chapter((: PROVIDED, That)).

9            (2) A lessee, or a sublessee in the case where the sublessee is  
10 responsible for paying the tax imposed under this chapter, of property  
11 used for residential purposes may petition the county board of  
12 equalization for a change in appraised value when the department of  
13 revenue establishes taxable rent under RCW 82.29A.020(2)(b) based on an  
14 appraisal done by the county assessor at the request of the department.  
15 The petition must be on forms prescribed or approved by the department  
16 of revenue and any petition not conforming to those requirements or not  
17 properly completed shall not be considered by the board. The petition  
18 must be filed with the board within the time period set forth in RCW

1 84.40.038. A decision of the board of equalization may be appealed by  
2 the taxpayer to the board of tax appeals as provided in RCW 84.08.130.

3 A sublessee, in the case where the sublessee is responsible for  
4 paying the tax imposed under this chapter, of property used for  
5 residential purposes may petition the department for a change in  
6 taxable rent when the department of revenue establishes taxable rent  
7 under RCW 82.29A.020(2)(b).

8 Any change in tax resulting from an appeal under this subsection  
9 shall be allocated to the lessee or sublessee responsible for paying  
10 the tax.

11 (3) This section shall not authorize the issuance of any levy upon  
12 any property owned by the public lessor.

13 (4) In selecting leasehold excise tax returns for audit the  
14 department of revenue shall give priority to any return an audit of  
15 which is specifically requested in writing by the county assessor or  
16 treasurer or other chief financial officer of any city or county  
17 affected by such return. Notwithstanding the provisions of RCW  
18 82.32.330, findings of fact and determinations of the amount of taxable  
19 rent made pursuant to the provisions of this chapter shall be open to  
20 public inspection at all reasonable times.

21 **Sec. 2.** RCW 82.29A.120 and 1986 c 285 s 2 are each amended to read  
22 as follows:

23 After computation of the taxes imposed pursuant to RCW 82.29A.030  
24 and 82.29A.040 there shall be allowed the following credits in  
25 determining the tax payable:

26 (1) With respect to a leasehold interest other than a product  
27 lease, executed with an effective date of April 1, 1986, or thereafter,  
28 or a leasehold interest in respect to which the department of revenue  
29 under the authority of RCW 82.29A.020 does adjust the contract rent  
30 base used for computing the tax provided for in RCW 82.29A.030, there  
31 shall be allowed a credit against the tax as otherwise computed equal  
32 to the amount, if any, that such tax exceeds the property tax that  
33 would apply to such leased property without regard to any property tax  
34 exemption under RCW 84.36.381, if it were privately owned by the lessee  
35 or if it were privately owned by any sublessee if the value of the  
36 credit inures to the sublessee. For lessees and sublessees who would  
37 qualify for a property tax exemption under RCW 84.36.381 if the  
38 property were privately owned, the tax otherwise due after this credit

1 shall be reduced by a percentage equal to the percentage reduction in  
2 property tax that would result from the property tax exemption under  
3 RCW 84.36.381.

4 (2) With respect to a product lease, a credit of thirty-three  
5 percent of the tax otherwise due.

6 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
7 preservation of the public peace, health, or safety, or support of the  
8 state government and its existing public institutions, and shall take  
9 effect immediately.

--- END ---