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SENATE BILL 5251

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State of Washington

53rd Legislature

1993 Regular Session

By Senators Bauer, Snyder, Sheldon, Moore, Prentice, Sutherland, Jesernig, Rinehart and Winsley

Read first time 01/20/93. Referred to Committee on Ways & Means.

1 AN ACT Relating to the nonresident sales tax exemption; and  
2 amending RCW 82.08.0273.

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

4 **Sec. 1.** RCW 82.08.0273 and 1988 c 96 s 1 are each amended to read  
5 as follows:

6 (1) The tax levied by RCW 82.08.020 shall not apply to sales to  
7 nonresidents of this state of tangible personal property for use  
8 outside this state when the purchaser (a) is a bona fide resident of a  
9 state or possession or Province of Canada other than the state of  
10 Washington and such state, possession, or Province of Canada does not  
11 impose a retail sales tax or use tax of three percent or more or, if  
12 imposing such a tax, permits Washington residents exemption from  
13 otherwise taxable sales by reason of their residence, and (b) agrees,  
14 when requested, to grant the department of revenue access to such  
15 records and other forms of verification at his or her place of  
16 residence to assure that such purchases are not first used  
17 substantially in the state of Washington.

1 (2)(a) Any person claiming exemption from retail sales tax under  
2 the provisions of this section must display proof of his or her current  
3 nonresident status as herein provided.

4 (b) Acceptable proof of a nonresident person's status shall include  
5 ~~((two pieces))~~ one piece of identification~~((:—(i)))~~ such as a valid  
6 driver's license from the jurisdiction in which the out-of-state  
7 residency is claimed or a valid identification card which has a  
8 photograph of the holder and is issued by the out-of-state jurisdiction  
9 ~~((and (ii) a credit card, checks, or other reliable identification))~~.  
10 Identification under ~~((i) of)~~ this subsection (2)(b) must show the  
11 holder's residential address and have as one of its legal purposes the  
12 establishment of residency in that out-of-state jurisdiction.

13 (3) Nothing in this section requires the vendor to make tax exempt  
14 retail sales to nonresidents. A vendor may choose to make sales to  
15 nonresidents, collect the sales tax, and remit the amount of sales tax  
16 collected to the state as otherwise provided by law. If the vendor  
17 chooses to make a sale to a nonresident without collecting the sales  
18 tax, the vendor shall, in good faith, examine the proof of  
19 nonresidence, determine whether the proof is acceptable under  
20 subsection (2)(b) of this section, and maintain records for each  
21 nontaxable sale which shall show the type of proof accepted, including  
22 any identification numbers where appropriate, and the expiration date,  
23 if any.

24 (4)(a) Any person making fraudulent statements, which includes the  
25 offer of fraudulent identification or fraudulently procured  
26 identification to a vendor, in order to purchase goods without paying  
27 retail sales tax shall be guilty of perjury. Any person making tax  
28 exempt purchases under this section by displaying proof of  
29 identification not his or her own, or counterfeit identification, with  
30 intent to violate the provisions of this section, shall be guilty of a  
31 misdemeanor and, in addition, shall be liable for the tax and subject  
32 to a penalty equal to the greater of one hundred dollars or the tax due  
33 on such purchases.

34 (b) Any vendor who makes sales without collecting the tax to a  
35 person who does not hold valid identification establishing out-of-state  
36 residency, and any vendor who fails to maintain records of sales to  
37 nonresidents as provided in this section, shall be personally liable  
38 for the amount of tax due. Any vendor who makes sales without  
39 collecting the retail sales tax under this section and who has actual

1 knowledge that the purchaser's proof of identification establishing  
2 out-of-state residency is fraudulent shall be guilty of a misdemeanor  
3 and, in addition, shall be liable for the tax and subject to a penalty  
4 equal to the greater of one thousand dollars or the tax due on such  
5 sales. In addition, both the purchaser and the vendor shall be liable  
6 for any penalties and interest assessable under chapter 82.32 RCW.

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