
SENATE BILL 5897

State of Washington

53rd Legislature

1993 Regular Session

By Senator Pelz

Read first time 02/23/93. Referred to Committee on Ways & Means.

1 AN ACT Relating to fiscal reform; amending RCW 82.03.130,
2 82.03.140, 2.10.180, 2.12.090, 6.13.030, 41.44.240, 43.43.310,
3 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270,
4 82.04.280, 82.04.290, 82.08.020, 84.52.043, and 43.135.020; reenacting
5 and amending RCW 41.24.240, 41.26.180, 41.32.052, 41.40.052, and
6 76.12.120; adding a new section to chapter 84.52 RCW; adding a new
7 title to the Revised Code of Washington to be numbered Title 82A RCW;
8 creating a new section; repealing RCW 82.04.2901, 82.04.2904, 6.15.025,
9 84.52.065, and 84.52.067; prescribing penalties; and providing
10 contingent effective dates.

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

12 **PART I**
13 **INCOME TAX--DEFINITIONS**

14 NEW SECTION. **Sec. 1.** INTRODUCTORY. Unless the context clearly
15 requires otherwise, the definitions in sections 2 through 13 of this
16 act apply throughout this title.

1 NEW SECTION. **Sec. 2.** ADJUSTED GROSS INCOME. "Adjusted gross
2 income" means adjusted gross income as determined under the internal
3 revenue code.

4 NEW SECTION. **Sec. 3.** CORPORATION. "Corporation" means a person
5 taxable as a corporation under the internal revenue code.

6 NEW SECTION. **Sec. 4.** DEPARTMENT. "Department" means the state
7 department of revenue.

8 NEW SECTION. **Sec. 5.** FEDERAL BASE INCOME. "Federal base income"
9 means:

10 (1) For individuals, adjusted gross income.

11 (2) For all other persons, taxable income as determined under the
12 internal revenue code.

13 NEW SECTION. **Sec. 6.** INDIVIDUAL. "Individual" means a natural
14 person.

15 NEW SECTION. **Sec. 7.** INTERNAL REVENUE CODE. "Internal revenue
16 code" means the United States internal revenue code of 1986 and
17 amendments thereto, as existing and in effect on January 1, 1993.

18 NEW SECTION. **Sec. 8.** PERSON. "Person" includes individuals,
19 partnerships, firms, companies, fiduciaries, estates, trusts, and
20 corporations.

21 NEW SECTION. **Sec. 9.** RESIDENT. "Resident" includes:

22 (1) An individual who:

23 (a) Has resided in this state for the entire taxable year; or

24 (b) Is domiciled in this state unless the individual:

25 (i) Maintains no permanent place of abode in this state; and

26 (ii) Does maintain a permanent place of abode elsewhere; and

27 (iii) Spends in the aggregate not more than thirty days in the
28 taxable year in this state; or

29 (c) Is not domiciled in this state, but maintains a permanent place
30 of abode in this state and spends in the aggregate more than one
31 hundred eighty-three days of the taxable year in this state unless the
32 individual establishes to the satisfaction of the director of revenue

1 that the individual is in the state only for temporary or transitory
2 purposes; or

3 (d) Claims the state of Washington as the individual's tax home for
4 federal income tax purposes.

5 (2) A resident estate means an estate of which a personal
6 representative was appointed by a Washington court or an estate the
7 administration of which is carried on in this state.

8 (3) A resident trust means a trust whose situs as determined by RCW
9 11.96.040 is within the state of Washington.

10 NEW SECTION. **Sec. 10.** S CORPORATION. "S corporation" means an S
11 corporation as defined in section 1361 of the internal revenue code.

12 NEW SECTION. **Sec. 11.** TAXABLE INCOME. "Taxable income" means
13 federal base income after making the additions, subtractions,
14 apportionments, and allocations provided under this title.

15 NEW SECTION. **Sec. 12.** TAXABLE YEAR. "Taxable year" means the
16 taxpayer's taxable year as defined under the internal revenue code.

17 NEW SECTION. **Sec. 13.** TAXPAYER. "Taxpayer" means a person
18 receiving income subject to tax under this title.

19 NEW SECTION. **Sec. 14.** DEFINITION OF TERMS GENERALLY. Except as
20 provided in this Part, any term used in this title has the same meaning
21 as when used in a comparable context in the internal revenue code.

22 **PART II**

23 **INCOME TAX--TAXABLE INCOME MODIFICATIONS**

24 NEW SECTION. **Sec. 15.** INTRODUCTORY. In computing taxable income,
25 modifications shall be made to the taxpayer's federal base income as
26 required under this Part, unless the modification has the effect of
27 duplicating an item of income or deduction.

28 NEW SECTION. **Sec. 16.** BUSINESS TAXES PAID FOR PERIODS BEFORE
29 EFFECTIVE DATE. (1) Subtract gross income that was subject to tax
30 under chapter 82.04 RCW for periods prior to the effective date of this

1 section, to the extent the gross income was included in computing
2 federal base income.

3 (2) Add any expenses incurred in the production of amounts
4 subtracted under subsection (1) of this section, to the extent the
5 expenses have been deducted in computing federal base income.

6 NEW SECTION. **Sec. 17.** CARRYOVERS. Add amounts that have been
7 deducted in computing federal base income to the extent the amounts
8 have been carried over from taxable years ending before the effective
9 date of this section.

10 NEW SECTION. **Sec. 18.** CARRYBACKS. Add amounts that have been
11 deducted in computing federal base income to the extent the amounts
12 have been carried back from future taxable years.

13 NEW SECTION. **Sec. 19.** PUBLIC UTILITIES. From federal taxable
14 income, deduct income attributable to activities subject to tax under
15 chapter 82.16 RCW. However, the amount deducted under this section
16 shall be reduced by any expense incurred in the production of such
17 income to the extent the expense has been deducted in calculating
18 federal taxable income.

19 NEW SECTION. **Sec. 20.** NONPROFIT ORGANIZATIONS. Add any amounts
20 subject to tax under subchapter F, chapter 1, subtitle A of the
21 internal revenue code. For the purposes of computations under this
22 section, if a nonprofit organization has no federal base income, or a
23 negative federal base income, federal base income shall be treated as
24 if it were zero.

25 NEW SECTION. **Sec. 21.** S CORPORATIONS. Add amounts upon which an
26 S corporation is subject to tax under subchapter S, chapter 1, subtitle
27 A of the internal revenue code.

28 NEW SECTION. **Sec. 22.** STATE AND LOCAL INCOME TAXES. Add taxes on
29 or measured by net income that have been deducted under the internal
30 revenue code in computing federal base income.

1 NEW SECTION. **Sec. 23.** STATE AND LOCAL OBLIGATIONS. (1) For
2 corporations, add all gross income that has been excluded under section
3 103 of the internal revenue code in computing federal base income.

4 (2) For taxpayers other than corporations, add gross income that
5 has been excluded under section 103 of the internal revenue code in
6 computing federal base income, except gross income derived from
7 obligations of the state of Washington or political subdivisions of the
8 state of Washington.

9 (3) Subtract any expenses incurred in the production of amounts
10 added under subsection (1) or (2) of this section, to the extent the
11 expenses have not been deducted in computing federal base income.

12 NEW SECTION. **Sec. 24.** DEDUCTIONS REQUIRED BY FEDERAL LAW. (1)
13 Subtract gross income that the state is prohibited from taxing under
14 the Constitution or laws of the United States, to the extent the gross
15 income was included in computing federal base income.

16 (2) Add any expenses incurred in the production of amounts
17 subtracted under subsection (1) of this section, to the extent the
18 expenses have been deducted in computing federal base income.

19 NEW SECTION. **Sec. 25.** TAX RETURNS FOR FRACTIONAL YEAR. (1) If
20 the first taxable year of any taxpayer with respect to which a tax is
21 imposed by this title ends before December 31st of the calendar year in
22 which this title becomes effective, referred to in this section as a
23 fractional taxable year, the taxable income for the fractional taxable
24 year shall be the taxpayer's taxable income for the entire taxable
25 year, adjusted by one of the following methods, at the taxpayer's
26 election:

27 (a) The taxable income shall be multiplied by a fraction. The
28 numerator of the fraction is the number of days in the fractional
29 taxable year. The denominator of the fraction is the number of days in
30 the entire taxable year.

31 (b) The taxable income shall be adjusted, in accordance with rules
32 of the department, so as to include only such income and be reduced
33 only by such deductions as can be clearly determined from the permanent
34 records of the taxpayer to be attributable to the fractional taxable
35 year.

36 (2) If an individual taxpayer's taxable income is adjusted under
37 subsection (1) of this section, the deduction amounts allowed under

1 section 32 of this act for the taxpayer shall be reduced by multiplying
2 the amount of the exemption by a fraction. The numerator of the
3 fraction is the number of days in the taxpayer's fractional taxable
4 year. The denominator of the fraction is the number of days in the
5 entire taxable year.

6 **PART III**

7 **INCOME TAX--DIVISION OF INCOME, MODIFICATIONS, AND CREDITS**

8 NEW SECTION. **Sec. 26.** APPORTIONMENT AND ALLOCATION OF INCOME--
9 INDIVIDUALS, ESTATES, AND TRUSTS. (1) For resident individuals,
10 estates, and trusts, all income shall be apportioned and allocated to
11 this state.

12 (2) For nonresident individuals, estates, and trusts, income
13 derived from sources within this state shall be apportioned and
14 allocated to this state. For purposes of this title:

15 (a) The adjusted gross income of a nonresident derived from sources
16 within this state is the net amount of items of income, gain, loss, and
17 deduction of the nonresident's federal adjusted gross income that are
18 derived from or connected with sources in this state including any
19 distributive share of partnership income and deductions, and any share
20 of estate or trust income and deductions, including any unrelated
21 business income of an otherwise exempt trust or organization.

22 (b) Items of income, gain, loss, and deduction derived from or
23 connected with sources within this state are those items attributable
24 to the ownership or disposition of any interest in real or tangible
25 personal property in this state, and a business, trade, profession, or
26 occupation carried on within this state. The department shall issue
27 rules to provide consistency of this section with the excise tax
28 provisions.

29 (c) Deduction with respect to expenses, capital losses, and net
30 operating losses shall be based solely on income, gains, losses, and
31 deductions derived from or connected with sources in this state but
32 shall otherwise be determined in the same manner as the corresponding
33 federal deduction except as provided in this title.

34 (d) Income from intangible personal property, including annuities,
35 dividends, interest, and gains from the disposition of intangible
36 personal property, constitutes income derived from sources within the
37 state of Washington only to the extent that such income is from

1 property employed in a business, trade, profession, or occupation
2 carried on within this state: PROVIDED, That distributed and
3 undistributed income of an electing S corporation for federal tax
4 purposes derived from or connected with sources within this state is
5 income derived from sources within this state for a nonresident
6 shareholder. A net operating loss of such corporation does constitute
7 a loss or deduction connected with sources within this state for a
8 nonresident shareholder.

9 (e) Compensation paid by the United States for service in the armed
10 forces of the United States performed in this state by a nonresident
11 does not constitute income derived from sources within this state.

12 (f) If a business, trade, profession, or occupation is carried on
13 partly within and partly without this state, the determination of net
14 income derived or connected with sources within this state, as provided
15 in this section, shall be made by apportionment and allocation under
16 chapter 82.56 RCW.

17 NEW SECTION. **Sec. 27.** APPORTIONMENT AND ALLOCATION OF
18 INCOME--CORPORATIONS. (1) For corporations other than financial
19 organizations or public utilities, all income shall be apportioned and
20 allocated to this state except income that is apportioned or allocated
21 to another state under RCW 82.56.010.

22 (2) For financial organizations and public utilities, as defined in
23 Article IV, section 1(d) and (f) of RCW 82.56.010, that are taxable
24 both within this state and in another state within the meaning of
25 Article IV, section 3 of RCW 82.56.010, the amount of net income to be
26 apportioned or allocated, or both, to this state shall be determined in
27 accordance with rules adopted by the department. The rules shall, as
28 far as the department deems practical, be consistent with the
29 provisions of Article IV of RCW 82.56.010. In developing the rules,
30 the department shall also give appropriate consideration to any uniform
31 regulations adopted by the multistate tax commission pursuant to
32 Article VII of RCW 82.56.010, and to the rules of other states in which
33 the financial organizations and public utilities are also taxable.

34 NEW SECTION. **Sec. 28.** COMBINED REPORTING. (1) The department may
35 permit or require a corporation that is subject to taxation under this
36 title and is a part of a water's edge combined group to file a combined
37 report covering the combined operations of the group. The report shall

1 contain such information as shall be designated in rules adopted by the
2 department.

3 (2) A corporation is a part of a water's edge combined group if it
4 is engaged in business activities that are integrated with, dependent
5 upon, or that contribute to the business activities of the group as a
6 whole. Only corporations meeting one or more of the following
7 descriptions may be included in a water's edge combined group:

8 (a) Corporations included or includable in a consolidated return
9 for federal income tax purposes;

10 (b) United States possessions corporations;

11 (c) Corporations incorporated in any United States possession or
12 territory;

13 (d) Domestic international sales corporations or foreign sales
14 corporations;

15 (e) Corporations incorporated in a country that either does not
16 impose an income tax or imposes an income tax at a rate lower than
17 ninety percent of the federal tax rate on the federally defined income
18 tax base, if:

19 (i) Fifty percent or more of either the sales or purchases or of
20 payments of income or expenses, exclusive of payments for intangible
21 property, or payments of eighty percent or more of all expenses are
22 made directly or indirectly to one or more members of a water's edge
23 combined group; or

24 (ii) The corporation conducts no significant economic activity;

25 (f) Foreign corporations having at least a threshold level of
26 business activity in the United States, as determined under rules of
27 the department;

28 (g) United States corporations that are members of a group of two
29 or more corporations with a common owner or owners, either corporate or
30 noncorporate, where more than fifty percent of the voting stock of each
31 member corporation is directly or indirectly owned by the common owner
32 or owners or by one or more of the member corporations.

33 (3) The income attributable to the Washington activities of a
34 corporation that is a part of a water's edge combined group shall be
35 determined by the apportionment of the entire business net income of
36 the group and the allocation of nonbusiness income of the corporation,
37 using the factors and methods in section 27 of this act and the rules
38 of the department adopted under section 27 of this act. Business net

1 income may include income of corporations that do not have federal
2 taxable income because they are not subject to federal taxation.

3 NEW SECTION. **Sec. 29.** PARTNERSHIPS AND S CORPORATIONS. (1) The
4 taxable incomes of partners shall be computed by including a pro rata
5 share of the modifications under Part II and sections 26 through 28 of
6 this act and the credits allowed under section 33 of this act, if the
7 modification or credit relates to the income of the partnership. Each
8 partner's pro rata share of a modification or credit is the amount of
9 modification or credit multiplied by a fraction. The numerator of the
10 fraction is the partner's distributive share of partnership income.
11 The denominator of the fraction is the total partnership income. The
12 fraction shall never be greater than one.

13 (2) The taxable incomes of shareholders of S corporations shall be
14 computed by including a share of the modifications under Part II and
15 sections 26 through 28 of this act and the credits allowed under
16 section 33 of this act, if the modification or credit relates to the
17 income of the S corporation. Each shareholder's share of a
18 modification or credit is the amount of modification or credit
19 multiplied by a fraction. The numerator of the fraction is the
20 shareholder's pro rata share of S corporation income. The denominator
21 of the fraction is the total S corporation income. The fraction shall
22 never be greater than one.

23 (3) As used in this section:

24 (a) "S corporation income" includes both distributed and
25 undistributed federal taxable income of the S corporation less any
26 amount subject to tax under section 33 of this act.

27 (b) "Pro rata share" means pro rata share as determined under
28 section 1366(a) of the internal revenue code.

29 NEW SECTION. **Sec. 30.** ESTATES, TRUSTS, AND BENEFICIARIES. (1)
30 The taxable incomes of estates, trusts, and beneficiaries thereof shall
31 be computed by including a share of the modifications under Part II and
32 sections 26 through 28 of this act and the credits allowed under
33 section 33 of this act.

34 Each taxpayer's share of a modification or credit is the amount of
35 modification or credit multiplied by a fraction. The numerator of the
36 fraction is the taxpayer's share of the distributable net income of the
37 estate or trust. The denominator of the fraction is the total

1 distributable net income of the estate or trust. The fraction shall
2 never be greater than one.

3 (2) As used in this section, "distributable net income" means
4 distributable net income as defined in the internal revenue code. If
5 an estate or trust has no federal distributable net income, the term
6 means the income of the estate or trust which is distributed or is
7 required to be distributed during the taxable year under local law or
8 the terms of the estate or trust instrument.

9 (3) Any portion of a modification that is not included in
10 calculating the taxable incomes of the beneficiaries shall be included
11 in calculating the taxable income of the trust or estate.

12 **PART IV**

13 **INCOME TAX--RATES AND CREDITS**

14 NEW SECTION. **Sec. 31.** PERSONAL INCOME TAX IMPOSED. (1) A tax is
15 imposed at the rate of five and one-fourth percent for each taxable
16 year on the taxable income of individuals, estates, and trusts as
17 provided in this section.

18 (2) The standard deductions provided in section 32 of this act are
19 allowed in computing taxable income.

20 (3) The taxes imposed in this section shall never be less than
21 zero.

22 NEW SECTION. **Sec. 32.** STANDARD DEDUCTION. The following standard
23 deductions are allowed in determining the tax under section 31 of this
24 act:

25 (1) The standard deduction for an individual is:

26 (a) Sixteen thousand dollars for a joint return or a surviving
27 spouse;

28 (b) Twelve thousand dollars for a head of household;

29 (c) Eight thousand dollars for an individual who is not married and
30 who is not a surviving spouse or head of household;

31 (d) Eight thousand dollars for a married individual filing a
32 separate return.

33 (2) The deduction from adjusted gross income allowed under this
34 section for individual taxpayers who are not residents of this state
35 for the entire taxable year shall be reduced by multiplying the amount
36 of the deduction by a fraction. The numerator of the fraction is the

1 taxpayer's adjusted gross income attributable to sources within the
2 state of Washington. The denominator of the fraction is the taxpayer's
3 adjusted gross income from all sources. The fraction shall never be
4 greater than one.

5 NEW SECTION. **Sec. 33.** CREDIT FOR INCOME TAXES DUE ANOTHER
6 JURISDICTION. (1) The intent of this section is to prevent double
7 taxation of income potentially subject to tax in both Washington and
8 another jurisdiction.

9 (2) As used in this section, "another jurisdiction" means another
10 state or foreign country or a political subdivision of another state or
11 foreign country.

12 (3) A resident individual, estate, or trust is allowed a credit
13 against the tax imposed under this title equal to the lesser of:

14 (a) The amount of tax paid to another jurisdiction on net income
15 derived from sources within the other jurisdiction; or

16 (b) The amount of tax due under this title, before application of
17 credits allowable by this title, multiplied by a fraction. The
18 numerator of the fraction is the amount of the taxpayer's adjusted
19 gross income subject to tax in the other jurisdiction. The denominator
20 of the fraction is the taxpayer's total adjusted gross income as
21 modified under Part II of this title. The fraction shall never be
22 greater than one.

23 (4) If the laws of another jurisdiction contain a provision
24 exempting a resident of Washington from net income taxes on income
25 derived from sources in that jurisdiction, the director of revenue is
26 authorized to enter into a reciprocal agreement with that jurisdiction
27 providing a similar tax exemption for residents of that jurisdiction
28 for income derived from sources within Washington.

29 (5) The amount of tax credits received by any taxpayer under this
30 section shall not exceed the total amount of tax due, and there shall
31 be no carryback or carryforward of any unused credits.

32 NEW SECTION. **Sec. 34.** DUAL RESIDENCE. If an individual is
33 regarded as a resident both of this state and another jurisdiction for
34 state personal income tax purposes, the department shall reduce the tax
35 on that portion of the individual's income that is subjected to tax in
36 both jurisdictions solely by virtue of dual residence, if the other
37 taxing jurisdiction allows a similar reduction. The reduction shall

1 equal the lower of the two taxes applicable to the income taxed twice,
2 multiplied by a fraction. The numerator of the fraction is the tax
3 imposed by this state on the income taxed twice. The denominator of
4 the fraction is the tax imposed by both jurisdictions on the income
5 taxed twice. The fraction shall never be greater than one.

6 NEW SECTION. **Sec. 35.** CORPORATE PRIVILEGE TAXES IMPOSED. A tax
7 is imposed at the rate of nine percent for each taxable year on the
8 taxable income of corporations for the privilege of engaging in
9 business within the state.

10 NEW SECTION. **Sec. 36.** CREDIT FOR BUSINESS AND OCCUPATION TAXES
11 IMPOSED. (1) A credit is allowed for business and occupation taxes
12 under chapter 82.04 RCW on gross income subject to tax under this
13 title. The credit is allowable only against the tax imposed under this
14 title upon the income attributable to the activity taxed under chapter
15 82.04 RCW. The amount of the credit allowed under this section shall
16 not exceed the amount of tax due under this title.

17 (2) Unused credits under this section shall not be carried back to
18 previous tax years or carried forward to subsequent tax years.

19 NEW SECTION. **Sec. 37.** EXEMPTION--INSURERS. The taxes imposed in
20 this title do not apply to any person in respect to an insurance
21 business that is exempt from business and occupation tax under RCW
22 82.04.320.

23 **PART V**

24 **INCOME TAX--WITHHOLDING AND ESTIMATED TAX**

25 NEW SECTION. **Sec. 38.** EMPLOYER WITHHOLDING--REQUIREMENTS. (1)
26 Every employer making a payment of wages or salaries earned in this
27 state, regardless of the place where the payment is made, and who is
28 required by the internal revenue code to withhold taxes, shall deduct
29 and withhold tax as prescribed by the department by rule. The rules
30 prescribed shall reasonably reflect the annual tax liability under this
31 title of the employee. Every employer making such a deduction and
32 withholding shall furnish to the employee a record of the amount of tax
33 deducted and withheld from the employee on forms provided by the
34 department.

1 (2) If the employee is a resident of this state and earns income
2 from personal services entirely performed in another state that imposes
3 an income tax on the income, and the employer withholds income taxes
4 under the laws of the state in which the income is earned, the employer
5 is not required to withhold any tax imposed by this title on the income
6 if the laws of the state in which the income is earned allow a similar
7 exemption for its residents who earn income in this state.

8 NEW SECTION. **Sec. 39.** LIABILITY OF EMPLOYER FOR TAX WITHHELD.
9 Any person required to deduct and withhold the tax imposed by this
10 title is liable to the department for the payment of the amount
11 deducted and withheld, and is not liable to any other person for the
12 amount of tax deducted and withheld under this title or for the act of
13 withholding. The amount of tax so deducted and withheld shall be held
14 to be a special fund in trust for this state.

15 NEW SECTION. **Sec. 40.** CREDIT FOR TAX WITHHELD--HOW CLAIMED. The
16 amount deducted and withheld as tax under section 38 of this act during
17 any taxable year shall be allowed as a credit against the tax imposed
18 for the taxable year by this title. If the liability of any individual
19 for taxes, interest, penalties, or other amounts due the state of
20 Washington is less than the total amount of the credit that the
21 individual is entitled to claim under this section, the individual is
22 entitled to a refund from the department in the amount of the excess of
23 the credit over the amounts otherwise due. If any individual entitled
24 to claim a credit under this section is not otherwise required by this
25 title to file a return, a refund may be obtained in the amount of the
26 credit by filing a return, with applicable sections completed, to claim
27 the refund. No credit or refund is allowed under this section unless
28 the credit or refund is claimed on a return filed for the taxable year
29 for which the amount was deducted and withheld.

30 NEW SECTION. **Sec. 41.** WITHHOLDING--FAILURE TO PAY OR
31 COLLECT--PENALTIES. (1) The tax required by this title to be collected
32 by the employer shall be deemed to be held in trust by the employer
33 until paid to the department.

34 (2) In case any employer, or a responsible person within the
35 meaning of internal revenue code section 6672, fails to collect the tax
36 imposed by this title or having collected the tax fails to pay it to

1 the department, the employer or responsible person shall, nevertheless,
2 be personally liable to the state for the amount of the tax. The
3 interest and penalty provisions of chapter 82.32 RCW apply to this
4 section.

5 NEW SECTION. **Sec. 42.** ESTIMATED TAX IMPOSED--DUE DATE OF
6 ESTIMATED TAXES--AMOUNT OF ESTIMATED TAX--UNDERPAYMENT PENALTY. (1)
7 Each taxpayer who is required by the internal revenue code to make
8 payment of estimated taxes shall pay to the department on forms
9 prescribed by the department the estimated taxes due under this title.

10 (2) The provisions of the internal revenue code relating to the
11 determination of reporting periods and due dates of payments of
12 estimated tax apply to the estimated tax payments due under this
13 section.

14 (3) The amount of the estimated tax shall be the annualized tax
15 divided by the number of months in the reporting period. No estimated
16 tax shall be due if the annualized tax is less than five hundred
17 dollars. The provisions of RCW 82.32.050 and 82.32.090 shall apply to
18 underpayments of estimated tax but shall not apply to underpayments if
19 the tax remitted to the department under this Part is either ninety
20 percent of the tax shown on the return or one hundred percent of the
21 tax shown on the previous year's tax return.

22 (4) For purposes of this section, the annualized tax is the
23 taxpayer's projected tax liability for the taxable year as computed
24 under internal revenue code section 6654 and the regulations
25 thereunder.

26 **PART VI**
27 **CRIMES**

28 NEW SECTION. **Sec. 43.** CRIMES. (1) Any person who knowingly
29 attempts to evade the tax imposed under this title or payment thereof
30 is guilty of a class C felony as provided in chapter 9A.20 RCW.

31 (2) Any person required to collect tax imposed under this title who
32 knowingly fails to collect, truthfully account for, or pay over the tax
33 is guilty of a class C felony as provided in chapter 9A.20 RCW.

34 (3) Any person who knowingly fails to pay tax, pay estimated tax,
35 make returns, keep records, or supply information, as required under

1 this title, is guilty of a gross misdemeanor as provided in chapter
2 9A.20 RCW.

3 **PART VII**

4 **INCOME TAX--ADMINISTRATION AND ENFORCEMENT**

5 NEW SECTION. **Sec. 44.** METHOD OF ACCOUNTING. (1) A taxpayer's
6 method of accounting for purposes of the tax imposed under this title
7 shall be the same as the taxpayer's method of accounting for federal
8 income tax purposes. If no method of accounting has been regularly
9 used by a taxpayer for federal income tax purposes or if the method
10 used does not clearly reflect income, tax due under this title shall be
11 computed by a method of accounting that in the opinion of the
12 department fairly reflects income.

13 (2) If a person's method of accounting is changed for federal
14 income tax purposes, it shall be similarly changed for purposes of this
15 title.

16 NEW SECTION. **Sec. 45.** PERSONS REQUIRED TO FILE RETURNS. (1) All
17 taxpayers shall file with the department, on forms prescribed by the
18 department, an income tax return for each taxable year. An individual
19 owing no tax for a taxable year is not required to file a return for
20 that year. Each person required to file a return under this title
21 shall, without assessment, notice, or demand, pay any tax due thereon
22 to the department on or before the date fixed for the filing of the
23 return.

24 (2) The department may by rule require that certain taxpayers file,
25 on forms prescribed by the department, informational returns for any
26 period.

27 (3) If an adjustment to a taxpayer's federal return is made by the
28 taxpayer or the internal revenue service, the taxpayer shall, within
29 ninety days of the final determination of the adjustment by the
30 internal revenue service or within thirty days of the filing of a
31 federal return adjusted by the taxpayer, file with the department on
32 forms prescribed by the department, a corrected return reflecting the
33 adjustments as finally determined. The taxpayer shall pay any
34 additional tax due resulting from the finally determined internal
35 revenue service adjustment or a taxpayer adjustment without notice and
36 assessment. Notwithstanding any provision of this title or any other

1 title to the contrary, the period of limitation for the collection of
2 the additional tax, interest, and penalty due as a result of an
3 adjustment by the taxpayer or a finally determined internal revenue
4 service adjustment shall begin at the later of thirty days following
5 the final determination of the adjustment or the date of the filing of
6 the corrected return.

7 NEW SECTION. **Sec. 46.** DUE DATE FOR FILING A RETURN--EXTENSIONS--
8 INTEREST AND PENALTIES. The due date of a return required to be filed
9 with the department shall be the due date of the federal income tax
10 return or informational return for federal income tax purposes. The
11 department shall have the authority to grant extensions of times by
12 which returns required to be filed by this title may be submitted. The
13 department shall also have the authority to grant extensions of time to
14 pay tax with regard to taxes imposed by this title. Interest at the
15 rate as specified in RCW 82.32.050 shall accrue during any extension
16 period and the interest and penalty provisions of chapter 82.32 RCW
17 shall apply to late payments and deficiencies. Notwithstanding the
18 limitation of RCW 82.32.090, in the case of the late filing of an
19 informational return, there shall be imposed a penalty the amount of
20 which shall be established by the department by rule. The penalty
21 shall not exceed fifty dollars per month for a maximum of ten months.
22 RCW 82.32.105 shall apply to this section.

23 NEW SECTION. **Sec. 47.** JOINT RETURN. (1) If the federal income
24 tax liabilities of both spouses are determined on a joint federal
25 return for the taxable year, they shall file a joint return under this
26 title.

27 (2) If neither spouse is required to file a federal income tax
28 return for the taxable year, a joint return shall be filed under this
29 title under the same conditions under which a joint return may be filed
30 for purposes of the federal income tax.

31 (3) If the federal income tax liability of either spouse is
32 determined on a separate federal return for the taxable year, they
33 shall file separate returns under this title.

34 (4) In any case in which a joint return is filed under this
35 section, the liability of the husband and wife is joint and several,
36 unless the spouse is relieved of liability under section 6013 of the
37 internal revenue code.

1 NEW SECTION. **Sec. 48.** RECORDS--RETURNS. (1) Every taxpayer and
2 every person required to deduct and withhold the tax imposed under this
3 title shall keep records, render statements, make returns, file
4 reports, and perform other acts as the department requires by rule.
5 Each return shall be made under penalty of perjury and on forms
6 prescribed by the department. The department may require other
7 statements and reports be made under penalty of perjury and on forms
8 prescribed by the department. The department may require any taxpayer
9 and any person required to deduct and withhold the tax imposed under
10 this title to furnish to the department a correct copy of any return or
11 document that the taxpayer has filed with the internal revenue service
12 or received from the internal revenue service.

13 (2) All books and records and other papers and documents required
14 to be kept under this title are subject to inspection by the department
15 at all times during business hours of the day.

16 NEW SECTION. **Sec. 49.** ESTIMATION AGREEMENTS. The department may
17 reasonably estimate the items of business or nonbusiness income of a
18 taxpayer having an office within the state and one or more other states
19 or foreign countries that may be apportioned or allocated to the state
20 and may enter into estimation agreements with such taxpayers for the
21 determination of their liability for the tax imposed by this title.

22 NEW SECTION. **Sec. 50.** PROVISIONS OF INTERNAL REVENUE CODE
23 CONTROL. (1) To the extent possible without being inconsistent with
24 this title, all of the provisions of the internal revenue code relating
25 to the following subjects apply to the taxes imposed under this title:

26 (a) Time of payment of tax deducted and withheld under section 38
27 of this act;

28 (b) Liability of transferees;

29 (c) Time and manner of making returns, extensions of time for
30 filing returns, verification of returns, and the time when a return is
31 deemed filed.

32 (2) The department by rule may provide modifications and exceptions
33 to the provisions listed in subsection (1) of this section, if
34 reasonably necessary to facilitate the prompt, efficient, and equitable
35 collection of tax under this title.

1 apportionment thereof to a county made pursuant to chapter 84.12 RCW
2 and 84.16 RCW, if filed with the board of tax appeals within thirty
3 days after mailing of the determination, the right to such appeal being
4 hereby established.

5 (5) Appeals by an assessor, landowner, or owner of an intercounty
6 public utility or private car company from a determination of any
7 county indicated ratio for such county compiled by the department of
8 revenue pursuant to RCW 84.48.075: PROVIDED, That

9 (a) Said appeal be filed after review of the ratio under RCW
10 84.48.075(3) and not later than fifteen days after the mailing of the
11 certification; and

12 (b) The hearing before the board shall be expeditiously held in
13 accordance with rules prescribed by the board and shall take precedence
14 over all matters of the same character.

15 (6) Appeals from the decisions of sale price of second class
16 shorelands on navigable lakes by the department of natural resources
17 pursuant to RCW 79.94.210.

18 (7) Appeals from urban redevelopment property tax apportionment
19 district proposals established by governmental ordinances pursuant to
20 RCW 39.88.060.

21 (8) Appeals from interest rates as determined by the department of
22 revenue for use in valuing farmland under current use assessment
23 pursuant to RCW 84.34.065.

24 (9) Appeals from revisions to stumpage value tables used to
25 determine value by the department of revenue pursuant to RCW 84.33.091.

26 (10) Appeals from denial of tax exemption application by the
27 department of revenue pursuant to RCW 84.36.850.

28 (11) Appeals pursuant to RCW 84.40.038(2).

29 (12) Appeals relating to income tax deficiencies and refunds
30 including penalties and interest under Title 82A RCW (sections 1
31 through 52 of this act).

32 **Sec. 54.** RCW 82.03.140 and 1988 c 222 s 4 are each amended to read
33 as follows:

34 In all appeals over which the board has jurisdiction under RCW
35 82.03.130, a party taking an appeal may elect either a formal or an
36 informal hearing, such election to be made according to rules of
37 practice and procedure to be promulgated by the board: PROVIDED, That
38 nothing shall prevent the assessor or taxpayer, as a party to an appeal

1 pursuant to RCW 84.08.130, within twenty days from the date of the
2 receipt of the notice of appeal, from filing with the clerk of the
3 board notice of intention that the hearing be a formal one: PROVIDED,
4 HOWEVER, That nothing herein shall be construed to modify the
5 provisions of RCW 82.03.190: AND PROVIDED FURTHER, That upon an appeal
6 under RCW 82.03.130 (5) or (12), the director of revenue may, within
7 ten days from the date of its receipt of the notice of appeal, file
8 with the clerk of the board notice of its (~~intention that the hearing~~
9 ~~be held pursuant to chapter 34.05 RCW~~) election of a formal hearing.
10 In the event that appeals are taken from the same decision, order, or
11 determination, as the case may be, by different parties and only one of
12 such parties elects a formal hearing, a formal hearing shall be
13 granted.

14 **PART IX**

15 **CONFORMING AMENDMENTS**

16 **Sec. 55.** RCW 2.10.180 and 1991 c 365 s 18 are each amended to read
17 as follows:

18 (1) Except as provided in subsections (2), (3), (~~and~~) (4), and
19 (5) of this section, the right of a person to a retirement allowance,
20 disability allowance, or death benefit, the retirement, disability or
21 death allowance itself, any optional benefit, any other right accrued
22 or accruing to any person under the provisions of this chapter, and the
23 moneys in the fund created under this chapter, are hereby exempt from
24 any state, county, municipal, or other local tax and shall not be
25 subject to execution, garnishment, or any other process of law
26 whatsoever.

27 (2) Subsection (1) of this section shall not be deemed to prohibit
28 a beneficiary of a retirement allowance from authorizing deductions
29 therefrom for payment of premiums due on any group insurance policy or
30 plan issued for the benefit of a group comprised of public employees of
31 the state of Washington.

32 (3) Deductions made in the past from retirement benefits are hereby
33 expressly recognized, ratified, and affirmed. Future deductions may
34 only be made in accordance with this section.

35 (4) Subsection (1) of this section shall not prohibit the
36 department of retirement systems from complying with (a) a wage
37 assignment order for child support issued pursuant to chapter 26.18

1 RCW, (b) a notice of payroll deduction issued under chapter 26.23 RCW,
2 (c) an order to withhold and deliver issued pursuant to chapter 74.20A
3 RCW, (d) a mandatory benefits assignment order issued pursuant to
4 chapter 41.50 RCW, (e) a court order directing the department of
5 retirement systems to pay benefits directly to an obligee under a
6 dissolution order as defined in RCW 41.50.500(3) which fully complies
7 with RCW 41.50.670 and 41.50.700, or (f) any administrative or court
8 order expressly authorized by federal law.

9 (5) Subsection (1) of this section does not exempt any pension or
10 other benefit received under this chapter from tax under Title 82A RCW
11 (sections 1 through 52 of this act), nor does it prohibit the
12 department of retirement systems from complying with the tax
13 withholding requirements of that title.

14 **Sec. 56.** RCW 2.12.090 and 1991 c 365 s 19 are each amended to read
15 as follows:

16 (1) Except as provided in subsections (2), (3), ~~((and))~~ (4), and
17 (5) of this section, the right of any person to a retirement allowance
18 or optional retirement allowance under the provisions of this chapter
19 and all moneys and investments and income thereof are exempt from any
20 state, county, municipal, or other local tax and shall not be subject
21 to execution, garnishment, attachment, the operation of bankruptcy or
22 the insolvency laws, or other processes of law whatsoever and shall be
23 unassignable except as herein specifically provided.

24 (2) Subsection (1) of this section shall not prohibit the
25 department of retirement systems from complying with (a) a wage
26 assignment order for child support issued pursuant to chapter 26.18
27 RCW, (b) a notice of payroll deduction issued under chapter 26.23 RCW,
28 (c) an order to withhold and deliver issued pursuant to chapter 74.20A
29 RCW, (d) a mandatory benefits assignment order issued pursuant to
30 chapter 41.50 RCW, (e) a court order directing the department of
31 retirement systems to pay benefits directly to an obligee under a
32 dissolution order as defined in RCW 41.50.500(3) which fully complies
33 with RCW 41.50.670 and 41.50.700, or (f) any administrative or court
34 order expressly authorized by federal law.

35 (3) Subsection (1) of this section shall not be deemed to prohibit
36 a beneficiary of a retirement allowance from authorizing deductions
37 therefrom for payment of premiums due on any group insurance policy or

1 plan issued for the benefit of a group comprised of public employees of
2 the state of Washington.

3 (4) Deductions made in the past from retirement benefits are hereby
4 expressly recognized, ratified, and affirmed. Future deductions may
5 only be made in accordance with this section.

6 (5) Subsection (1) of this section does not exempt any pension or
7 other benefit received under this chapter from tax under Title 82A RCW
8 (sections 1 through 52 of this act), nor does it prohibit the
9 department of retirement systems from complying with the tax
10 withholding requirements of that title.

11 **Sec. 57.** RCW 6.13.030 and 1991 c 123 s 2 are each amended to read
12 as follows:

13 A homestead may consist of lands, as described in RCW 6.13.010,
14 regardless of area, but the homestead exemption amount shall not exceed
15 the lesser of (1) the total net value of the lands, mobile home, and
16 improvements as described in RCW 6.13.010, or (2) the sum of thirty
17 thousand dollars(~~(, except where the homestead is subject to execution,~~
18 ~~attachment, or seizure by or under any legal process whatever to~~
19 ~~satisfy a judgment in favor of any state for failure to pay that~~
20 ~~state's income tax on benefits received while a resident of the state~~
21 ~~of Washington from a pension or other retirement plan, in which event~~
22 ~~there shall be no dollar limit on the value of the exemption)).~~

23 **Sec. 58.** RCW 41.24.240 and 1989 c 360 s 26 and 1989 c 91 s 21 are
24 each reenacted and amended to read as follows:

25 (1) The right of any person to any future payment under the
26 provisions of this chapter shall not be transferable or assignable at
27 law or in equity, and none of the moneys paid or payable or the rights
28 existing under this chapter, shall be subject to execution, levy,
29 attachment, garnishment, or other legal process, or to the operation of
30 any bankruptcy or insolvency law. This section shall not be applicable
31 to any child support collection action taken under chapter 26.18,
32 26.23, or 74.20A RCW. Benefits under this chapter shall be payable to
33 a spouse or ex-spouse to the extent expressly provided for in any court
34 decree of dissolution or legal separation or in any court order or
35 court-approved property settlement agreement incident to any court
36 decree of dissolution or legal separation.

1 (2) Nothing in this chapter shall be construed to deprive any fire
2 fighter, eligible to receive a pension hereunder, from receiving a
3 pension under any other act to which that fire fighter may become
4 eligible by reason of services other than or in addition to his or her
5 services as a fire fighter under this chapter.

6 (3) Subsection (1) of this section does not exempt any pension or
7 other benefit received under this chapter from tax under Title 82A RCW
8 (sections 1 through 52 of this act), nor does it prohibit the
9 department of retirement systems from complying with the tax
10 withholding requirements of that title.

11 **Sec. 59.** RCW 41.26.180 and 1991 c 365 s 20 and 1991 c 35 s 25 are
12 each reenacted and amended to read as follows:

13 (1) Subject to subsections (2) (~~and~~), (3), and (4) of this
14 section, the right of a person to a retirement allowance, disability
15 allowance, or death benefit, to the return of accumulated
16 contributions, the retirement, disability or death allowance itself,
17 any optional benefit, any other right accrued or accruing to any person
18 under the provisions of this chapter, and the moneys in the fund
19 created under this chapter, are hereby exempt from any state, county,
20 municipal, or other local tax and shall not be subject to execution,
21 garnishment, attachment, the operation of bankruptcy or insolvency
22 laws, or any other process of law whatsoever, and shall be
23 unassignable.

24 (2) On the written request of any person eligible to receive
25 benefits under this section, the department may deduct from such
26 payments the premiums for life, health, or other insurance. The
27 request on behalf of any child or children shall be made by the legal
28 guardian of such child or children. The department may provide for
29 such persons one or more plans of group insurance, through contracts
30 with regularly constituted insurance carriers or health care service
31 contractors.

32 (3) Subsection (1) of this section shall not prohibit the
33 department from complying with (a) a wage assignment order for child
34 support issued pursuant to chapter 26.18 RCW, (b) an order to withhold
35 and deliver issued pursuant to chapter 74.20A RCW, (c) a notice of
36 payroll deduction issued pursuant to RCW 26.23.060, (d) a mandatory
37 benefits assignment order issued by the department, (e) a court order
38 directing the department of retirement systems to pay benefits directly

1 to an obligee under a dissolution order as defined in RCW 41.50.500(3)
2 which fully complies with RCW 41.50.670 and 41.50.700, or (f) any
3 administrative or court order expressly authorized by federal law.

4 (4) Subsection (1) of this section does not exempt any pension or
5 other benefit received under this chapter from tax under Title 82A RCW
6 (sections 1 through 52 of this act), nor does it prohibit the
7 department of retirement systems from complying with the tax
8 withholding requirements of that title.

9 **Sec. 60.** RCW 41.44.240 and 1989 c 360 s 28 are each amended to
10 read as follows:

11 (1) The right of a person to a pension, annuity or a retirement
12 allowance, to the return of contribution, the pension, annuity or
13 retirement allowance itself, any optional benefit, any other right
14 accrued or accruing to any person under the provisions of this chapter,
15 and the moneys in the fund created under this chapter shall not be
16 subject to execution, garnishment, or any other process whatsoever.

17 (2) This section shall not apply to child support collection
18 actions taken under chapter 26.18, 26.23, or 74.20A RCW against
19 benefits payable under any such plan or arrangement. Benefits under
20 this chapter shall be payable to a spouse or ex-spouse to the extent
21 expressly provided for in any court decree of dissolution or legal
22 separation or in any court order or court-approved property settlement
23 agreement incident to any court decree of dissolution or legal
24 separation.

25 (3) Subsection (1) of this section does not exempt any pension or
26 other benefit received under this chapter from tax under Title 82A RCW
27 (sections 1 through 52 of this act), nor does it prohibit the
28 department of retirement systems from complying with the tax
29 withholding requirements of that title.

30 **Sec. 61.** RCW 41.32.052 and 1991 c 365 s 21 and 1991 c 35 s 63 are
31 each reenacted and amended to read as follows:

32 (1) Subject to subsections (2) ~~((and))~~, (3), and (4) of this
33 section, the right of a person to a pension, an annuity, a retirement
34 allowance, or disability allowance, to the return of contributions, any
35 optional benefit or death benefit, any other right accrued or accruing
36 to any person under the provisions of this chapter and the moneys in
37 the various funds created by this chapter shall be unassignable, and

1 are hereby exempt from any state, county, municipal or other local tax,
2 and shall not be subject to execution, garnishment, attachment, the
3 operation of bankruptcy or insolvency laws, or other process of law
4 whatsoever.

5 (2) This section shall not be deemed to prohibit a beneficiary of
6 a retirement allowance who is eligible:

7 (a) Under RCW 41.05.080 from authorizing monthly deductions
8 therefrom for payment of premiums due on any group insurance policy or
9 plan issued for the benefit of a group comprised of public employees of
10 the state of Washington or its political subdivisions;

11 (b) Under a group health care benefit plan approved pursuant to RCW
12 28A.400.350 or 41.05.065 from authorizing monthly deductions therefrom,
13 of the amount or amounts of subscription payments, premiums, or
14 contributions to any person, firm, or corporation furnishing or
15 providing medical, surgical, and hospital care or other health care
16 insurance; or

17 (c) Under this system from authorizing monthly deductions therefrom
18 for payment of dues and other membership fees to any retirement
19 association composed of retired teachers and/or public employees
20 pursuant to a written agreement between the director and the retirement
21 association.

22 Deductions under (a) and (b) of this subsection shall be made in
23 accordance with rules that may be adopted by the director.

24 (3) Subsection (1) of this section shall not prohibit the
25 department from complying with (a) a wage assignment order for child
26 support issued pursuant to chapter 26.18 RCW, (b) an order to withhold
27 and deliver issued pursuant to chapter 74.20A RCW, (c) a notice of
28 payroll deduction issued pursuant to RCW 26.23.060, (d) a mandatory
29 benefits assignment order issued by the department, (e) a court order
30 directing the department of retirement systems to pay benefits directly
31 to an obligee under a dissolution order as defined in RCW 41.50.500(3)
32 which fully complies with RCW 41.50.670 and 41.50.700, or (f) any
33 administrative or court order expressly authorized by federal law.

34 (4) Subsection (1) of this section does not exempt any pension or
35 other benefit received under this chapter from tax under Title 82A RCW
36 (sections 1 through 52 of this act), nor does it prohibit the
37 department of retirement systems from complying with the tax
38 withholding requirements of that title.

1 **Sec. 62.** RCW 41.40.052 and 1991 c 365 s 22 and 1991 c 35 s 92 are
2 each reenacted and amended to read as follows:

3 (1) Subject to subsections (2) (~~(and)~~), (3), and (4) of this
4 section, the right of a person to a pension, an annuity, or retirement
5 allowance, any optional benefit, any other right accrued or accruing to
6 any person under the provisions of this chapter, the various funds
7 created by this chapter, and all moneys and investments and income
8 thereof, are hereby exempt from any state, county, municipal, or other
9 local tax, and shall not be subject to execution, garnishment,
10 attachment, the operation of bankruptcy or insolvency laws, or other
11 process of law whatsoever, and shall be unassignable.

12 (2) This section shall not be deemed to prohibit a beneficiary of
13 a retirement allowance from authorizing deductions therefrom for
14 payment of premiums due on any group insurance policy or plan issued
15 for the benefit of a group comprised of public employees of the state
16 of Washington or its political subdivisions and which has been approved
17 for deduction in accordance with rules that may be adopted by the state
18 health care authority and/or the department, and this section shall not
19 be deemed to prohibit a beneficiary of a retirement allowance from
20 authorizing deductions therefrom for payment of dues and other
21 membership fees to any retirement association or organization the
22 membership of which is composed of retired public employees, if a total
23 of three hundred or more of such retired employees have authorized such
24 deduction for payment to the same retirement association or
25 organization.

26 (3) Subsection (1) of this section shall not prohibit the
27 department from complying with (a) a wage assignment order for child
28 support issued pursuant to chapter 26.18 RCW, (b) an order to withhold
29 and deliver issued pursuant to chapter 74.20A RCW, (c) a notice of
30 payroll deduction issued pursuant to RCW 26.23.060, (d) a mandatory
31 benefits assignment order issued by the department, (e) a court order
32 directing the department of retirement systems to pay benefits directly
33 to an obligee under a dissolution order as defined in RCW 41.50.500(3)
34 which fully complies with RCW 41.50.670 and 41.50.700, or (f) any
35 administrative or court order expressly authorized by federal law.

36 (4) Subsection (1) of this section does not exempt any pension or
37 other benefit received under this chapter from tax under Title 82A RCW
38 (sections 1 through 52 of this act), nor does it prohibit the

1 department of retirement systems from complying with the tax
2 withholding requirements of that title.

3 **Sec. 63.** RCW 43.43.310 and 1991 c 365 s 23 are each amended to
4 read as follows:

5 (1) Except as provided in subsections (2) (~~(and)~~), (3), and (4) of
6 this section, the right of any person to a retirement allowance or
7 optional retirement allowance under the provisions hereof and all
8 moneys and investments and income thereof are exempt from any state,
9 county, municipal, or other local tax and shall not be subject to
10 execution, garnishment, attachment, the operation of bankruptcy or the
11 insolvency laws, or other processes of law whatsoever and shall be
12 unassignable except as herein specifically provided.

13 (2) Subsection (1) of this section shall not prohibit the
14 department of retirement systems from complying with (a) a wage
15 assignment order for child support issued pursuant to chapter 26.18
16 RCW, (b) an order to withhold and deliver issued pursuant to chapter
17 74.20A RCW, (c) a notice of payroll deduction issued pursuant to RCW
18 26.23.060, (d) a mandatory benefits assignment order issued pursuant to
19 chapter 41.50 RCW, (e) a court order directing the department of
20 retirement systems to pay benefits directly to an obligee under a
21 dissolution order as defined in RCW 41.50.500(3) which fully complies
22 with RCW 41.50.670 and 41.50.700, or (f) any administrative or court
23 order expressly authorized by federal law.

24 (3) Subsection (1) of this section shall not be deemed to prohibit
25 a beneficiary of a retirement allowance from authorizing deductions
26 therefrom for payment of premiums due on any group insurance policy or
27 plan issued for the benefit of a group comprised of members of the
28 Washington state patrol or other public employees of the state of
29 Washington, or for contributions to the Washington state patrol
30 memorial foundation.

31 (4) Subsection (1) of this section does not exempt any pension or
32 other benefit received under this chapter from tax under Title 82A RCW
33 (sections 1 through 52 of this act), nor does it prohibit the
34 department of retirement systems from complying with the tax
35 withholding requirements of that title.

36
37

PART X
EXCISE TAX REDUCTIONS

1 **Sec. 64.** RCW 82.04.230 and 1971 ex.s. c 281 s 2 are each amended
2 to read as follows:

3 Upon every person engaging within this state in business as an
4 extractor; as to such persons the amount of the tax with respect to
5 such business shall be equal to the value of the products, including
6 byproducts, extracted for sale or for commercial or industrial use,
7 multiplied by the rate of (~~(forty-four one-hundredths)~~) .242 of one
8 percent;

9 The measure of the tax is the value of the products, including
10 byproducts, so extracted, regardless of the place of sale or the fact
11 that deliveries may be made to points outside the state.

12 **Sec. 65.** RCW 82.04.240 and 1981 c 172 s 1 are each amended to read
13 as follows:

14 Upon every person except persons taxable under subsections (2),
15 (3), (4), (5), (7), (8), or (9) of RCW 82.04.260 engaging within this
16 state in business as a manufacturer; as to such persons the amount of
17 the tax with respect to such business shall be equal to the value of
18 the products, including byproducts, manufactured, multiplied by the
19 rate of (~~(forty-four one-hundredths)~~) .242 of one percent.

20 The measure of the tax is the value of the products, including
21 byproducts, so manufactured regardless of the place of sale or the fact
22 that deliveries may be made to points outside the state.

23 **Sec. 66.** RCW 82.04.250 and 1981 c 172 s 2 are each amended to read
24 as follows:

25 Upon every person except persons taxable under RCW 82.04.260(8)
26 engaging within this state in the business of making sales at retail,
27 as to such persons, the amount of tax with respect to such business
28 shall be equal to the gross proceeds of sales of the business,
29 multiplied by the rate of (~~(forty-four one-hundredths)~~) .2354 of one
30 percent; except for the act or privilege of engaging in the business
31 activity of making sales at retail which are exempt from the tax
32 imposed under chapter 82.08 RCW by reason of RCW 82.08.0261,
33 82.08.0262, or 82.08.0263, then the rate of tax shall be .242 of one
34 percent.

35 **Sec. 67.** RCW 82.04.255 and 1985 c 32 s 2 are each amended to read
36 as follows:

1 Upon every person engaging within the state as a real estate
2 broker; as to such persons, the amount of the tax with respect to such
3 business shall be equal to the gross income of the business, multiplied
4 by the rate of (~~(1.50)~~) .75 percent.

5 The measure of the tax on real estate commissions earned by the
6 real estate broker shall be the gross commission earned by the
7 particular real estate brokerage office including that portion of the
8 commission paid to salesmen or associate brokers in the same office on
9 a particular transaction: PROVIDED, HOWEVER, That where a real estate
10 commission is divided between an originating brokerage office and a
11 cooperating brokerage office on a particular transaction, each
12 brokerage office shall pay the tax only upon their respective shares of
13 said commission: AND PROVIDED FURTHER, That where the brokerage office
14 has paid the tax as provided herein, salesmen or associate brokers
15 within the same brokerage office shall not be required to pay a similar
16 tax upon the same transaction.

17 **Sec. 68.** RCW 82.04.260 and 1991 c 272 s 15 are each amended to
18 read as follows:

19 (1) Upon every person engaging within this state in the business of
20 buying wheat, oats, dry peas, dry beans, lentils, triticale, corn, rye
21 and barley, but not including any manufactured or processed products
22 thereof, and selling the same at wholesale; the tax imposed shall be
23 equal to the gross proceeds derived from such sales multiplied by the
24 rate of (~~(one one hundredth)~~) .0055 of one percent.

25 (2) Upon every person engaging within this state in the business of
26 manufacturing wheat into flour, barley into pearl barley, soybeans into
27 soybean oil, or sunflower seeds into sunflower oil; as to such persons
28 the amount of tax with respect to such business shall be equal to the
29 value of the flour, pearl barley, or oil manufactured, multiplied by
30 the rate of (~~(one eighth)~~) .06875 of one percent.

31 (3) Upon every person engaging within this state in the business of
32 splitting or processing dried peas; as to such persons the amount of
33 tax with respect to such business shall be equal to the value of the
34 peas split or processed, multiplied by the rate of (~~(one quarter)~~)
35 .01375 of one percent.

36 (4) Upon every person engaging within this state in the business of
37 manufacturing seafood products which remain in a raw, raw frozen, or
38 raw salted state at the completion of the manufacturing by that person;

1 as to such persons the amount of tax with respect to such business
2 shall be equal to the value of the products manufactured, multiplied by
3 the rate of (~~one-eighth~~) .06875 of one percent.

4 (5) Upon every person engaging within this state in the business of
5 manufacturing by canning, preserving, freezing or dehydrating fresh
6 fruits and vegetables; as to such persons the amount of tax with
7 respect to such business shall be equal to the value of the products
8 canned, preserved, frozen or dehydrated multiplied by the rate of
9 (~~three-tenths~~) .165 of one percent.

10 (6) Upon every nonprofit corporation and nonprofit association
11 engaging within this state in research and development, as to such
12 corporations and associations, the amount of tax with respect to such
13 activities shall be equal to the gross income derived from such
14 activities multiplied by the rate of (~~forty-four one-hundredths~~) .242
15 of one percent.

16 (7) Upon every person engaging within this state in the business of
17 slaughtering, breaking and/or processing perishable meat products
18 and/or selling the same at wholesale only and not at retail; as to such
19 persons the tax imposed shall be equal to the gross proceeds derived
20 from such sales multiplied by the rate of (~~twenty-five one-hundredths~~
21 ~~of one percent through June 30, 1986, and one-eighth~~) .06875 of one
22 percent thereafter.

23 (8) Upon every person engaging within this state in the business of
24 making sales, at retail or wholesale, of nuclear fuel assemblies
25 manufactured by that person, as to such persons the amount of tax with
26 respect to such business shall be equal to the gross proceeds of sales
27 of the assemblies multiplied by the rate of (~~twenty-five one-~~
28 ~~hundredths~~) .1375 of one percent.

29 (9) Upon every person engaging within this state in the business of
30 manufacturing nuclear fuel assemblies, as to such persons the amount of
31 tax with respect to such business shall be equal to the value of the
32 products manufactured multiplied by the rate of (~~twenty-five one-~~
33 ~~hundredths~~) .1375 of one percent.

34 (10) Upon every person engaging within this state in the business
35 of acting as a travel agent; as to such persons the amount of the tax
36 with respect to such activities shall be equal to the gross income
37 derived from such activities multiplied by the rate of (~~twenty-five~~
38 ~~one-hundredths~~) .1375 of one 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 (~~(thirty-three one hundredths)~~)
8 .1815 of one percent.

9 (12) Upon every person engaging within this state in the business
10 of stevedoring and associated activities pertinent to the movement of
11 goods and commodities in waterborne interstate or foreign commerce; as
12 to such persons the amount of tax with respect to such business shall
13 be equal to the gross proceeds derived from such activities multiplied
14 by the rate of (~~(thirty-three one hundredths)~~) .1815 of one percent.
15 Persons subject to taxation under this subsection shall be exempt from
16 payment of taxes imposed by chapter 82.16 RCW for that portion of their
17 business subject to taxation under this subsection. Stevedoring and
18 associated activities pertinent to the conduct of goods and commodities
19 in waterborne interstate or foreign commerce are defined as all
20 activities of a labor, service or transportation nature whereby cargo
21 may be loaded or unloaded to or from vessels or barges, passing over,
22 onto or under a wharf, pier, or similar structure; cargo may be moved
23 to a warehouse or similar holding or storage yard or area to await
24 further movement in import or export or may move to a consolidation
25 freight station and be stuffed, unstuffed, containerized, separated or
26 otherwise segregated or aggregated for delivery or loaded on any mode
27 of transportation for delivery to its consignee. Specific activities
28 included in this definition are: Wharfage, handling, loading,
29 unloading, moving of cargo to a convenient place of delivery to the
30 consignee or a convenient place for further movement to export mode;
31 documentation services in connection with the receipt, delivery,
32 checking, care, custody and control of cargo required in the transfer
33 of cargo; imported automobile handling prior to delivery to consignee;
34 terminal stevedoring and incidental vessel services, including but not
35 limited to plugging and unplugging refrigerator service to containers,
36 trailers, and other refrigerated cargo receptacles, and securing ship
37 hatch covers.

38 (13) Upon every person engaging within this state in the business
39 of disposing of low-level waste, as defined in RCW 43.145.010; as to

1 such persons the amount of the tax with respect to such business shall
2 be equal to the gross income of the business, excluding any fees
3 imposed under chapter 43.200 RCW, multiplied by the rate of fifteen
4 percent.

5 (a) The rate specified in this subsection shall be reduced to ten
6 percent on May 20, 1991.

7 (b) The rate specified in this subsection shall be further reduced
8 to five percent on January 1, 1992.

9 (c) The rate specified in this subsection shall be further reduced
10 to (~~three~~) 1.65 percent on July 1, 1993.

11 If the gross income of the taxpayer is attributable to activities
12 both within and without this state, the gross income attributable to
13 this state shall be determined in accordance with the methods of
14 apportionment required under RCW 82.04.460.

15 (14) Upon every person engaging within this state as an insurance
16 agent, insurance broker, or insurance solicitor licensed under chapter
17 48.17 RCW; as to such persons, the amount of the tax with respect to
18 such licensed activities shall be equal to the gross income of such
19 business multiplied by the rate of (~~one~~) .55 percent.

20 **Sec. 69.** RCW 82.04.270 and 1981 c 172 s 4 are each amended to read
21 as follows:

22 (1) Upon every person except persons taxable under subsections (1)
23 or (8) of RCW 82.04.260 engaging within this state in the business of
24 making sales at wholesale; as to such persons the amount of tax with
25 respect to such business shall be equal to the gross proceeds of sales
26 of such business multiplied by the rate of (~~forty-four one-~~
27 ~~hundredths~~) .242 of one percent.

28 (2) The tax imposed by this section is levied and shall be
29 collected from every person engaged in the business of distributing in
30 this state articles of tangible personal property, owned by them from
31 their own warehouse or other central location in this state to two or
32 more of their own retail stores or outlets, where no change of title or
33 ownership occurs, the intent hereof being to impose a tax equal to the
34 wholesaler's tax upon persons performing functions essentially
35 comparable to those of a wholesaler, but not actually making sales:
36 PROVIDED, That the tax designated in this section may not be assessed
37 twice to the same person for the same article. The amount of the tax
38 as to such persons shall be computed by multiplying (~~forty-four one-~~

1 hundredths)) .242 of one percent of the value of the article so
2 distributed as of the time of such distribution: PROVIDED, That
3 persons engaged in the activities described in this subsection shall
4 not be liable for the tax imposed if by proper invoice it can be shown
5 that they have purchased such property from a wholesaler who has paid
6 a business and occupation tax to the state upon the same articles.
7 This proviso shall not apply to purchases from manufacturers as defined
8 in RCW 82.04.110. The department of revenue shall prescribe uniform
9 and equitable rules for the purpose of ascertaining such value, which
10 value shall correspond as nearly as possible to the gross proceeds from
11 sales at wholesale in this state of similar articles of like quality
12 and character, and in similar quantities by other taxpayers: PROVIDED
13 FURTHER, That delivery trucks or vans will not under the purposes of
14 this section be considered to be retail stores or outlets.

15 **Sec. 70.** RCW 82.04.280 and 1986 c 226 s 2 are each amended to read
16 as follows:

17 Upon every person engaging within this state in the business of:
18 (1) Printing, and of publishing newspapers, periodicals or magazines;
19 (2) building, repairing or improving any street, place, road, highway,
20 easement, right of way, mass public transportation terminal or parking
21 facility, bridge, tunnel, or trestle which is owned by a municipal
22 corporation or political subdivision of the state or by the United
23 States and which is used or to be used, primarily for foot or vehicular
24 traffic including mass transportation vehicles of any kind and
25 including any readjustment, reconstruction or relocation of the
26 facilities of any public, private or cooperatively owned utility or
27 railroad in the course of such building, repairing or improving, the
28 cost of which readjustment, reconstruction, or relocation, is the
29 responsibility of the public authority whose street, place, road,
30 highway, easement, right of way, mass public transportation terminal or
31 parking facility, bridge, tunnel, or trestle is being built, repaired
32 or improved; (3) extracting for hire or processing for hire; (4)
33 operating a cold storage warehouse or storage warehouse, but not
34 including the rental of cold storage lockers; (5) representing and
35 performing services for fire or casualty insurance companies as an
36 independent resident managing general agent licensed under the
37 provisions of RCW 48.05.310; (6) radio and television broadcasting,
38 excluding network, national and regional advertising computed as a

1 standard deduction based on the national average thereof as annually
2 reported by the Federal Communications Commission, or in lieu thereof
3 by itemization by the individual broadcasting station, and excluding
4 that portion of revenue represented by the out-of-state audience
5 computed as a ratio to the station's total audience as measured by the
6 100 micro-volt signal strength and delivery by wire, if any; (7)
7 engaging in activities which bring a person within the definition of
8 consumer contained in RCW 82.04.190(6), as now or hereafter amended; as
9 to such persons, the amount of tax on such business shall be equal to
10 the gross income of the business multiplied by the rate of (~~forty-four~~
11 ~~one hundredths~~) .242 of one percent.

12 As used in this section, "cold storage warehouse" means a storage
13 warehouse used to store fresh and/or frozen perishable fruits or
14 vegetables, meat, seafood, dairy products, or fowl, or any combination
15 thereof, at a desired temperature to maintain the quality of the
16 product for orderly marketing.

17 As used in this section, "storage warehouse" means a building or
18 structure, or any part thereof, in which goods, wares, or merchandise
19 are received for storage for compensation, except field warehouses,
20 fruit warehouses, fruit packing plants, warehouses licensed under
21 chapter 22.09 RCW, public garages storing automobiles, railroad freight
22 sheds, docks and wharves, and "self-storage" or "mini storage"
23 facilities whereby customers have direct access to individual storage
24 areas by separate entrance.

25 **Sec. 71.** RCW 82.04.290 and 1985 c 32 s 3 are each amended to read
26 as follows:

27 Upon every person engaging within this state in any business
28 activity other than or in addition to those enumerated in RCW
29 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270, and
30 82.04.280; as to such persons the amount of tax on account of such
31 activities shall be equal to the gross income of the business
32 multiplied by the rate of (~~1.50~~) .75 percent. This section includes,
33 among others, and without limiting the scope hereof (whether or not
34 title to materials used in the performance of such business passes to
35 another by accession, confusion or other than by outright sale),
36 persons engaged in the business of rendering any type of service which
37 does not constitute a "sale at retail" or a "sale at wholesale." The
38 value of advertising, demonstration, and promotional supplies and

1 materials furnished to an agent by his principal or supplier to be used
2 for informational, educational and promotional purposes shall not be
3 considered a part of the agent's remuneration or commission and shall
4 not be subject to taxation under this section.

5 **Sec. 72.** RCW 82.08.020 and 1992 c 194 s 9 are each amended to read
6 as follows:

7 (1) There is levied and there shall be collected a tax on each
8 retail sale in this state equal to (~~six and five tenths~~) three and
9 twenty-five one-hundredths percent of the selling price.

10 (2) There is levied and there shall be collected an additional tax
11 on each retail car rental, regardless of whether the vehicle is
12 licensed in this state, equal to five and nine-tenths percent of the
13 selling price. Ninety-one percent of the revenue collected under this
14 subsection shall be deposited and distributed in the same manner as
15 motor vehicle excise tax revenue collected under RCW 82.44.020(1).
16 Nine percent of the revenue collected under this subsection shall be
17 deposited in the transportation fund and distributed in the same manner
18 as motor vehicle excise tax revenue collected under RCW 82.44.020(2).

19 (3) The taxes imposed under this chapter shall apply to successive
20 retail sales of the same property.

21 (4) The rates provided in this section apply to taxes imposed under
22 chapter 82.12 RCW as provided in RCW 82.12.020.

23 NEW SECTION. **Sec. 73.** (1) The following acts or parts of acts are
24 each repealed:

25 (a) RCW 82.04.2901 and 1985 c 32 s 4; and

26 (b) RCW 82.04.2904 and 1985 c 32 s 5, 1983 2nd ex.s. c 3 s 3, &
27 1983 c 9 s 3.

28 (2) The repeals under subsection (1) of this section shall not be
29 construed as affecting any existing right acquired or any liability or
30 obligation incurred under the statutes repealed or under any rule,
31 regulation, or order adopted pursuant thereto; nor as affecting any
32 proceeding instituted thereunder.

33 NEW SECTION. **Sec. 74.** (1) The following acts or parts of acts are
34 each repealed:

35 (a) RCW 6.15.025 and 1991 c 123 s 3;

1 (b) RCW 84.52.065 and 1991 sp.s. c 31 s 16, 1979 ex.s. c 218 s 1,
2 1973 1st ex.s. c 195 s 106, 1971 ex.s. c 299 s 25, 1969 ex.s. c 216 s
3 2, & 1967 ex.s. c 133 s 1; and

4 (c) RCW 84.52.067 and 1967 ex.s. c 133 s 2.

5 (2) The repeals under subsection (1) of this section shall not be
6 construed as affecting any existing right acquired or any liability or
7 obligation incurred under the statutes repealed or under any rule,
8 regulation, or order adopted pursuant thereto; nor as affecting any
9 proceeding instituted thereunder.

10 **PART XI**

11 **ELIMINATION OF STATE PROPERTY TAX**

12 NEW SECTION. **Sec. 75.** A new section is added to chapter 84.52 RCW
13 to read as follows:

14 The state shall not levy ad valorem property taxes under Title 84
15 RCW for collection in 1994, nor thereafter.

16 This section does not affect property taxes levied for collection
17 in years prior to 1994.

18 **Sec. 76.** RCW 84.52.043 and 1990 c 234 s 1 are each amended to read
19 as follows:

20 Within and subject to the limitations imposed by RCW 84.52.050 as
21 amended, the regular ad valorem tax levies upon real and personal
22 property by the taxing districts hereafter named shall be as follows:

23 (1) Levies of the senior taxing districts shall be as follows: (a)
24 ~~The ((levy by the state shall not exceed three dollars and sixty cents~~
25 ~~per thousand dollars of assessed value adjusted to the state equalized~~
26 ~~value in accordance with the indicated ratio fixed by the state~~
27 ~~department of revenue to be used exclusively for the support of the~~
28 ~~common schools; (b) the)) levy by any county shall not exceed one~~
29 ~~dollar and eighty cents per thousand dollars of assessed value; ((+e))~~
30 (b) the levy by any road district shall not exceed two dollars and
31 twenty-five cents per thousand dollars of assessed value; and ~~((+d))~~
32 (c) the levy by any city or town shall not exceed three dollars and
33 thirty-seven and one-half cents per thousand dollars of assessed value.
34 However any county is hereby authorized to increase its levy from one
35 dollar and eighty cents to a rate not to exceed two dollars and forty-
36 seven and one-half cents per thousand dollars of assessed value for

1 general county purposes if the total levies for both the county and any
2 road district within the county do not exceed four dollars and five
3 cents per thousand dollars of assessed value, and no other taxing
4 district has its levy reduced as a result of the increased county levy.

5 (2) (~~Except as provided in RCW 84.52.100,~~) The aggregate levies
6 of junior taxing districts and senior taxing districts, other than the
7 state, shall not exceed five dollars and ninety cents per thousand
8 dollars of assessed valuation. The term "junior taxing districts"
9 includes all taxing districts (~~other than the state~~), counties, road
10 districts, cities, towns, port districts, and public utility districts.
11 The limitations provided in this subsection shall not apply to: (a)
12 Levies at the rates provided by existing law by or for any port or
13 public utility district; (b) excess property tax levies authorized in
14 Article VII, section 2 of the state Constitution; (c) levies for
15 acquiring conservation futures as authorized under RCW 84.34.230; and
16 (d) levies for emergency medical care or emergency medical services
17 imposed under RCW 84.52.069.

18 **Sec. 77.** RCW 43.135.020 and 1980 c 1 s 2 are each amended to read
19 as follows:

20 As used in this chapter, the following terms have the meanings
21 indicated unless otherwise required.

22 (1) "State tax revenue" means all state moneys received in the
23 treasury from every source except those revenues excluded for the term
24 "general state revenues" by Article VIII, section (1)(c) of the state
25 Constitution (~~other than the state property tax levied for the support
26 of the common schools under RCW 84.52.065, as now or hereafter
27 amended~~)).

28 (2) "State personal income" means the dollar amount published as
29 total personal income of persons of the state for the calendar year by
30 the United States department of commerce or its successor agency.

31 (3) "State tax revenue limit" or "limit" means the state tax
32 revenue limit created by this chapter.

33 (4) "Taxing district" means those districts included within the
34 term "taxing district" under RCW 84.04.120, as now or hereafter
35 amended.

36 (5) "State personal income ratio" for any calendar year means the
37 quotient formed by dividing (a) state personal income for the calendar

1 year under consideration by (b) the state personal income for the
2 immediately preceding calendar year.

3 **Sec. 78.** RCW 76.12.120 and 1988 c 128 s 32 and 1988 c 70 s 1 are
4 each reenacted and amended to read as follows:

5 All land, acquired or designated by the department as state forest
6 land, shall be forever reserved from sale, but the timber and other
7 products thereon may be sold or the land may be leased in the same
8 manner and for the same purposes as is authorized for state granted
9 land if the department finds such sale or lease to be in the best
10 interests of the state and approves the terms and conditions thereof.

11 Except as provided in RCW 79.12.035, all money derived from the
12 sale of timber or other products, or from lease, or from any other
13 source from the land, except where the Constitution of this state or
14 RCW 76.12.030 requires other disposition, shall be disposed of as
15 follows:

16 (1) Fifty percent shall be placed in the forest development
17 account.

18 (2) Fifty percent shall be prorated and distributed to the state
19 general fund, to be dedicated for the benefit of the public schools,
20 and the county in which the land is located according to the relative
21 proportions of tax levies of all taxing districts in the county. The
22 portion to be distributed to the state general fund shall be based on
23 the ~~((regular school levy rate under RCW 84.52.065 as now or hereafter
24 amended and the levy rate for any maintenance and operation special
25 school levies))~~ amounts appropriated for common schools by the
26 legislature. The money distributed to the county shall be paid,
27 distributed, and prorated to the various other funds in the same manner
28 as general taxes are paid and distributed during the year of payment.

29 **PART XII**

30 **MISCELLANEOUS**

31 NEW SECTION. **Sec. 79.** SEVERABILITY. If any provision of this act
32 or its application to any person or circumstance is held invalid, the
33 remainder of the act or the application of the provision to other
34 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 80.** CAPTIONS. Captions and part headings as
2 used in this act constitute no part of the law.

3 NEW SECTION. **Sec. 81.** CODIFICATION. Sections 1 through 52 of
4 this act shall constitute a new title in the Revised Code of
5 Washington, to be numbered Title 82A RCW.

6 NEW SECTION. **Sec. 82.** EFFECTIVE DATES. This act shall take
7 effect on January 1, 1994, except for sections 64 through 73 of this
8 act which take effect on July 1, 1994, and except for sections 76
9 through 78 of this act which take effect on January 1, 1995, if the
10 proposed amendment to Article VII of the state Constitution authorizing
11 income taxes SJR ... (S-1532/93) is validly submitted and is approved
12 and ratified by the voters at a general election held in November 1993.
13 If the proposed amendment is not so approved and ratified, this act
14 shall be null and void in its entirety.

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