

---

ENGROSSED SUBSTITUTE SENATE BILL 6608

---

State of Washington

53rd Legislature

1994 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Rinehart and Gaspard)

Read first time 03/03/94.

1 AN ACT Relating to the business and occupation taxation of moneys  
2 received by health or social welfare organizations from governmental  
3 entities for health or social welfare services; amending RCW 82.04.030,  
4 82.04.260, and 82.04.4297; and providing an effective date.

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

6 **Sec. 1.** RCW 82.04.030 and 1963 ex.s. c 28 s 1 are each amended to  
7 read as follows:

8 "Person" or "company", herein used interchangeably, means any  
9 individual, receiver, administrator, executor, assignee, trustee in  
10 bankruptcy, trust, estate, firm, copartnership, joint venture, club,  
11 company, joint stock company, business trust, municipal corporation,  
12 political subdivision of the state of Washington, corporation,  
13 association, society, or any group of individuals acting as a unit,  
14 whether mutual, cooperative, fraternal, nonprofit, or otherwise and the  
15 United States or any instrumentality thereof. The term shall also  
16 include the state and its departments and institutions with respect to  
17 the gross income of the business derived from the operation of a  
18 hospital, as defined in chapter 70.41 RCW.

1       **Sec. 2.** RCW 82.04.260 and 1993 sp.s. c 25 s 104 are each amended  
2 to read as follows:

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

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

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

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

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

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

36       (7) Upon every person engaging within this state in the business of  
37 slaughtering, breaking and/or processing perishable meat products and/  
38 or selling the same at wholesale only and not at retail; as to such

1 persons the tax imposed shall be equal to the gross proceeds derived  
2 from such sales multiplied by the rate of 0.138 percent.

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

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

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

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

23 (12) Upon every person engaging within this state in the business  
24 of stevedoring and associated activities pertinent to the movement of  
25 goods and commodities in waterborne interstate or foreign commerce; as  
26 to such persons the amount of tax with respect to such business shall  
27 be equal to the gross proceeds derived from such activities multiplied  
28 by the rate of 0.363 percent. Persons subject to taxation under this  
29 subsection shall be exempt from payment of taxes imposed by chapter  
30 82.16 RCW for that portion of their business subject to taxation under  
31 this subsection. Stevedoring and associated activities pertinent to  
32 the conduct of goods and commodities in waterborne interstate or  
33 foreign commerce are defined as all activities of a labor, service or  
34 transportation nature whereby cargo may be loaded or unloaded to or  
35 from vessels or barges, passing over, onto or under a wharf, pier, or  
36 similar structure; cargo may be moved to a warehouse or similar holding  
37 or storage yard or area to await further movement in import or export  
38 or may move to a consolidation freight station and be stuffed,  
39 unstuffed, containerized, separated or otherwise segregated or

1 aggregated for delivery or loaded on any mode of transportation for  
2 delivery to its consignee. Specific activities included in this  
3 definition are: Wharfage, handling, loading, unloading, moving of  
4 cargo to a convenient place of delivery to the consignee or a  
5 convenient place for further movement to export mode; documentation  
6 services in connection with the receipt, delivery, checking, care,  
7 custody and control of cargo required in the transfer of cargo;  
8 imported automobile handling prior to delivery to consignee; terminal  
9 stevedoring and incidental vessel services, including but not limited  
10 to plugging and unplugging refrigerator service to containers,  
11 trailers, and other refrigerated cargo receptacles, and securing ship  
12 hatch covers.

13 (13) Upon every person engaging within this state in the business  
14 of disposing of low-level waste, as defined in RCW 43.145.010; as to  
15 such persons the amount of the tax with respect to such business shall  
16 be equal to the gross income of the business, excluding any fees  
17 imposed under chapter 43.200 RCW, multiplied by the rate of 3.3  
18 percent.

19 If the gross income of the taxpayer is attributable to activities  
20 both within and without this state, the gross income attributable to  
21 this state shall be determined in accordance with the methods of  
22 apportionment required under RCW 82.04.460.

23 (14) Upon every person engaging within this state as an insurance  
24 agent, insurance broker, or insurance solicitor licensed under chapter  
25 48.17 RCW; as to such persons, the amount of the tax with respect to  
26 such licensed activities shall be equal to the gross income of such  
27 business multiplied by the rate of 1.1 percent.

28 (15) Upon every person engaging within this state in business as a  
29 hospital, as defined in chapter 70.41 RCW, (~~that is operated as a~~  
30 ~~nonprofit corporation or by the state or any of its political~~  
31 ~~subdivisions,~~) as to such persons, the amount of tax with respect to  
32 such activities shall be equal to the gross income of the business  
33 multiplied by the rate of (~~0.75 percent through June 30, 1995, and~~)  
34 1.5 percent (~~thereafter~~). The moneys collected under this subsection  
35 shall be deposited in the health services account created under RCW  
36 43.72.900.

37 **Sec. 3.** RCW 82.04.4297 and 1988 c 67 s 1 are each amended to read  
38 as follows:

1 In computing tax there may be deducted from the measure of tax  
2 amounts received from the United States or any instrumentality thereof  
3 or from the state of Washington or any municipal corporation or  
4 political subdivision thereof as compensation for, or to support,  
5 health or social welfare services rendered by a health or social  
6 welfare organization or by a municipal corporation or political  
7 subdivision, except deductions are not allowed under this section for  
8 amounts that are received under an employee benefit plan or amounts  
9 that are received by a person with respect to the operation of a  
10 hospital, as defined in chapter 70.41 RCW.

11 NEW SECTION. **Sec. 4.** This act shall take effect July 1, 1995,  
12 except that if a court in a permanent injunction, permanent order, or  
13 final decision determines that any part of this act must be submitted  
14 to the people for their adoption and ratification, or rejection, as a  
15 result of section 13, chapter 2, Laws of 1994, this act shall be null  
16 and void.

--- END ---