
HOUSE BILL 1632

State of Washington

58th Legislature

2003 Regular Session

By Representatives McIntire, Gombosky and Miloscia; by request of Department of Revenue

Read first time 02/03/2003. Referred to Committee on Finance.

1 AN ACT Relating to improving the collection of retail sales taxes
2 at special events by requiring promoters to verify tax registration of
3 vendors; amending RCW 82.32.020; adding a new section to chapter 82.32
4 RCW; and prescribing penalties.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.32 RCW
7 to read as follows:

8 (1) A promoter of a special event within the state of Washington
9 shall not permit a vendor to make or solicit retail sales of tangible
10 personal property or services at the special event unless the promoter
11 obtains verification that the vendor has obtained a certificate of
12 registration from the department.

13 (2) A promoter of a special event shall:

14 (a) Keep, in addition to the records required under RCW 82.32.070,
15 a record of the dates and place of each special event, and the name,
16 address, and registration certificate number of vendors permitted to
17 make or solicit retail sales of tangible personal property or services
18 at the special event; and

1 (b) Provide to the department, within twenty days of receipt of a
2 written request from the department, a list of vendors permitted to
3 make or solicit retail sales of tangible personal property or services.
4 The list shall be in a form and contain such information as the
5 department may require, and shall include the date and place of the
6 event, and the name, address, and registration certificate number of
7 each vendor.

8 (3) If a promoter fails to comply with the provisions of this
9 section, the promoter is liable for the penalties provided in this
10 subsection (3).

11 (a) If a promoter fails to comply with the provisions of subsection
12 (1) of this section, the department shall impose a penalty of one
13 hundred dollars for each vendor permitted to make or solicit retail
14 sales of tangible personal property or services at the special event.

15 (b) If a promoter fails to comply with the provisions of subsection
16 (2)(b) of this section, the department shall impose a penalty of:

17 (i) Two hundred fifty dollars if the information requested is not
18 received by the department within twenty days of the department's
19 written request; and

20 (ii) One hundred dollars for each vendor for whom the information
21 as required by subsection (2)(b) of this section is not provided to the
22 department.

23 (4) The aggregate of penalties imposed under subsection (3) of this
24 section may not exceed two thousand five hundred dollars for a special
25 event if the promoter has not previously been penalized under this
26 section. Under no circumstances is a promoter liable for sales tax or
27 business and occupation tax not remitted to the department by a vendor
28 at a special event.

29 (5) The department shall notify a promoter by mail of any penalty
30 imposed under this section, and the penalty shall be due within thirty
31 days from the date of the notice. If any penalty imposed under this
32 section is not received by the department by the due date, there shall
33 be assessed interest on the unpaid amount from the date following the
34 due date until such penalty is paid in full. The rate of interest
35 shall be computed on a daily basis on the amount of outstanding penalty
36 at the rate as computed under RCW 82.32.050(2). The rate so computed
37 shall be adjusted on the first day of January of each year for use in
38 computing interest for that calendar year.

1 (6) For purposes of this section:

2 (a) "Promoter" means a person who organizes, operates, or sponsors
3 a special event and who contracts with vendors for participation in
4 such special event.

5 (b) "Special event" means an entertainment, amusement,
6 recreational, educational, or marketing event, whether held on a
7 regular or irregular basis, at which more than one vendor makes or
8 solicits retail sales of tangible personal property or services. The
9 term includes, but is not limited to: Auto shows, recreational vehicle
10 shows, boat shows, home shows, garden shows, hunting and fishing shows,
11 stamp shows, comic book shows, sports memorabilia shows, craft shows,
12 art shows, antique shows, flea markets, exhibitions, festivals,
13 concerts, swap meets, bazaars, carnivals, athletic contests, circuses,
14 fairs, or other similar activities. "Special event" does not include
15 an event that is organized for the exclusive benefit of any nonprofit
16 organization as defined in RCW 82.04.3651. An event is organized for
17 the exclusive benefit of a nonprofit organization if all of the gross
18 proceeds of retail sales of all vendors at the event inure to the
19 benefit of the nonprofit organization on whose behalf the event is
20 being held.

21 (c) "Vendor" means a person who, at a special event, makes or
22 solicits retail sales of tangible personal property or services.

23 (7) This section does not apply to:

24 (a) A special event whose promoter does not charge more than one
25 hundred dollars for a vendor to participate in a special event;

26 (b) A special event whose promoter charges a percentage of sales
27 instead of, or in addition to, a flat charge for a vendor to
28 participate in a special event if the promoter, in good faith, believes
29 that no vendor will pay more than one hundred dollars to participate in
30 the special event; or

31 (c) A person who does not organize, operate, or sponsor a special
32 event but only provides a venue, supplies, furnishings, fixtures,
33 equipment, or services to a promoter of a special event.

34 **Sec. 2.** RCW 82.32.020 and 1983 c 3 s 220 are each amended to read
35 as follows:

36 For the purposes of this chapter:

1 The meaning attributed in chapters 82.01 through 82.27 RCW to the
2 words and phrases "tax year," "taxable year," "person," "company,"
3 "gross proceeds of sales," "gross income of the business," "business,"
4 "engaging in business," "successor," "gross operating revenue," "gross
5 income," "taxpayer," "retail sale," and "value of products" shall apply
6 equally to the provisions of this chapter.

--- END ---