
HOUSE BILL 1785

State of Washington

59th Legislature

2005 Regular Session

By Representatives P. Sullivan, Hunter, Schindler, Linville, Ahern, Kessler, Rodne, Miloscia, Wood, Simpson, Serben, Orcutt, Santos, Grant, McCune, Conway and Kilmer

Read first time 02/04/2005. Referred to Committee on Finance.

1 AN ACT Relating to the taxation of delivery charges for direct
2 mail; amending RCW 82.08.010; adding a new section to chapter 82.04
3 RCW; adding a new section to chapter 82.08 RCW; adding a new section to
4 chapter 82.12 RCW; and declaring an emergency.

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

6 **Sec. 1.** RCW 82.08.010 and 2004 c 153 s 406 are each amended to
7 read as follows:

8 For the purposes of this chapter:

9 (1) "Selling price" includes "sales price." "Sales price" means
10 the total amount of consideration, except separately stated trade-in
11 property of like kind, including cash, credit, property, and services,
12 for which tangible personal property or services defined as a "retail
13 sale" under RCW 82.04.050 are sold, leased, or rented, valued in money,
14 whether received in money or otherwise. No deduction from the total
15 amount of consideration is allowed for the following: (a) The seller's
16 cost of the property sold; (b) the cost of materials used, labor or
17 service cost, interest, losses, all costs of transportation to the
18 seller, all taxes imposed on the seller, and any other expense of the
19 seller; (c) charges by the seller for any services necessary to

1 complete the sale, other than delivery and installation charges; (d)
2 delivery charges; (e) installation charges; and (f) the value of exempt
3 tangible personal property given to the purchaser where taxable and
4 exempt tangible personal property have been bundled together and sold
5 by the seller as a single product or piece of merchandise.

6 When tangible personal property is rented or leased under
7 circumstances that the consideration paid does not represent a
8 reasonable rental for the use of the articles so rented or leased, the
9 "selling price" shall be determined as nearly as possible according to
10 the value of such use at the places of use of similar products of like
11 quality and character under such rules as the department may prescribe.

12 "Selling price" or "sales price" does not include: Discounts,
13 including cash, term, or coupons that are not reimbursed by a third
14 party that are allowed by a seller and taken by a purchaser on a sale;
15 interest, financing, and carrying charges from credit extended on the
16 sale of tangible personal property or services, if the amount is
17 separately stated on the invoice, bill of sale, or similar document
18 given to the purchaser; and any taxes legally imposed directly on the
19 consumer that are separately stated on the invoice, bill of sale, or
20 similar document given to the purchaser;

21 (2) "Seller" means every person, including the state and its
22 departments and institutions, making sales at retail or retail sales to
23 a buyer, purchaser, or consumer, whether as agent, broker, or
24 principal, except "seller" does not mean the state and its departments
25 and institutions when making sales to the state and its departments and
26 institutions;

27 (3) "Buyer," "purchaser," and "consumer" include, without limiting
28 the scope hereof, every individual, receiver, assignee, trustee in
29 bankruptcy, trust, estate, firm, copartnership, joint venture, club,
30 company, joint stock company, business trust, corporation, association,
31 society, or any group of individuals acting as a unit, whether mutual,
32 cooperative, fraternal, nonprofit, or otherwise, municipal corporation,
33 quasi municipal corporation, and also the state, its departments and
34 institutions and all political subdivisions thereof, irrespective of
35 the nature of the activities engaged in or functions performed, and
36 also the United States or any instrumentality thereof;

37 (4) "Delivery charges" means charges by the seller of personal
38 property or services for preparation and delivery to a location

1 designated by the purchaser of personal property or services including,
2 but not limited to, transportation, shipping, postage, handling,
3 crating, and packing;

4 (5) "Direct mail" means printed material delivered or distributed
5 by United States mail or other delivery service to a mass audience or
6 to addressees on a mailing list provided by the purchaser or at the
7 direction of the purchaser when the cost of the items are not billed
8 directly to the recipients. "Direct mail" includes tangible personal
9 property supplied directly or indirectly by the purchaser to the direct
10 mail seller for inclusion in the package containing the printed
11 material. "Direct mail" does not include multiple items of printed
12 material delivered to a single address;

13 (6) The meaning attributed in chapter 82.04 RCW to the terms "tax
14 year," "taxable year," "person," "company," "sale," "sale at retail,"
15 "retail sale," "sale at wholesale," "wholesale," "business," "engaging
16 in business," "cash discount," "successor," "consumer," "in this state"
17 and "within this state" shall apply equally to the provisions of this
18 chapter;

19 ((+6+)) (7) For the purposes of the taxes imposed under this
20 chapter and under chapter 82.12 RCW, "tangible personal property" means
21 personal property that can be seen, weighed, measured, felt, or
22 touched, or that is in any other manner perceptible to the senses.
23 Tangible personal property includes electricity, water, gas, steam, and
24 prewritten computer software.

25 NEW SECTION. Sec. 2. A new section is added to chapter 82.04 RCW
26 to read as follows:

27 (1) In computing tax there may be deducted from the measure of tax,
28 amounts derived from delivery charges made for the delivery of direct
29 mail if the charges are separately stated on an invoice or similar
30 billing document given to the purchaser.

31 (2) "Delivery charges" and "direct mail" have the same meanings as
32 in RCW 82.08.010.

33 NEW SECTION. Sec. 3. A new section is added to chapter 82.08 RCW
34 to read as follows:

35 The tax levied by RCW 82.08.020 does not apply to delivery charges

1 made for the delivery of direct mail if the charges are separately
2 stated on an invoice or similar billing document given to the
3 purchaser.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.12 RCW
5 to read as follows:

6 (1) The tax levied by this chapter does not apply to the value of
7 delivery charges made for the delivery of direct mail if the charges
8 are separately stated on an invoice or similar billing document given
9 to the purchaser.

10 (2) "Delivery charges" and "direct mail" have the same meanings as
11 in RCW 82.08.010.

12 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
13 preservation of the public peace, health, or safety, or support of the
14 state government and its existing public institutions, and takes effect
15 immediately.

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