
SENATE BILL 6826

State of Washington

59th Legislature

2006 Regular Session

By Senator Benton

Read first time 01/25/2006. Referred to Committee on Transportation.

1 AN ACT Relating to public utility taxes imposed on fees and charges
2 for public transit services; and amending RCW 82.16.050.

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

4 **Sec. 1.** RCW 82.16.050 and 2004 c 153 s 308 are each amended to
5 read as follows:

6 In computing tax there may be deducted from the gross income the
7 following items:

8 (1) Amounts derived by municipally owned or operated public service
9 businesses, directly from taxes levied for the support or maintenance
10 thereof: PROVIDED, That this section shall not be construed to exempt
11 service charges which are spread on the property tax rolls and
12 collected as taxes;

13 (2) Amounts derived from the sale of commodities to persons in the
14 same public service business as the seller, for resale as such within
15 this state. This deduction is allowed only with respect to water
16 distribution, gas distribution or other public service businesses which
17 furnish water, gas or any other commodity in the performance of public
18 service businesses;

1 (3) Amounts actually paid by a taxpayer to another person taxable
2 under this chapter as the latter's portion of the consideration due for
3 services furnished jointly by both, if the total amount has been
4 credited to and appears in the gross income reported for tax by the
5 former;

6 (4) The amount of cash discount actually taken by the purchaser or
7 customer;

8 (5) The amount of bad debts, as that term is used in 26 U.S.C. Sec.
9 166, as amended or renumbered as of January 1, 2003, on which tax was
10 previously paid under this chapter;

11 (6) Amounts derived from business which the state is prohibited
12 from taxing under the Constitution of this state or the Constitution or
13 laws of the United States;

14 (7) Amounts derived from the distribution of water through an
15 irrigation system, for irrigation purposes;

16 (8) Amounts derived from the transportation of commodities from
17 points of origin in this state to final destination outside this state,
18 or from points of origin outside this state to final destination in
19 this state, with respect to which the carrier grants to the shipper the
20 privilege of stopping the shipment in transit at some point in this
21 state for the purpose of storing, manufacturing, milling, or other
22 processing, and thereafter forwards the same commodity, or its
23 equivalent, in the same or converted form, under a through freight rate
24 from point of origin to final destination; and amounts derived from the
25 transportation of commodities from points of origin in the state to an
26 export elevator, wharf, dock or ship side on tidewater or navigable
27 tributaries thereto from which such commodities are forwarded, without
28 intervening transportation, by vessel, in their original form, to
29 interstate or foreign destinations: PROVIDED, That no deduction will
30 be allowed when the point of origin and the point of delivery to such
31 an export elevator, wharf, dock, or ship side are located within the
32 corporate limits of the same city or town;

33 (9) Amounts derived from the production, sale, or transfer of
34 electrical energy for resale within or outside the state or for
35 consumption outside the state;

36 (10) Amounts derived from the distribution of water by a nonprofit
37 water association and used for capital improvements by that nonprofit
38 water association;

1 (11) Amounts paid by a sewerage collection business taxable under
2 RCW 82.16.020(1)(a) to a person taxable under chapter 82.04 RCW for the
3 treatment or disposal of sewage;

4 (12) Amounts derived from fees or charges imposed on persons for
5 transit services provided by a public transportation agency. For the
6 purposes of this subsection, "public transportation agency" means a
7 municipality, as defined in RCW 35.58.272, that performs the function
8 of metropolitan public transportation.

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