

SSB 5089 - H AMD 443
By Representative Orcutt

FAILED 03/16/2007

1 On page 75, after line 38, insert the following:

2 "Sec. 1303. RCW 82.08.020 and 2006 c 1 s 3 are each amended to
3 read as follows:

4 (1)(a) There is levied and there shall be collected a tax on each
5 retail sale in this state equal to (~~six and five-tenths percent of~~)
6 the selling price multiplied by the rate determined under this
7 subsection.

8 (b) The rate of tax under this subsection for taxable events
9 occurring during a calendar year is six and five-tenths percent
10 multiplied by a fraction. The numerator of the fraction is the
11 baseline sales and use tax collections for the previous fiscal year.
12 The denominator of the fraction is all sales and use tax collections
13 for the previous fiscal year. The rate shall be rounded down to the
14 nearest tenth of a percent. The department shall calculate the rate in
15 effect for each calendar year by the preceding October 1.

16 (c) The following definitions apply for the purposes of this
17 subsection.

18 (i) "Baseline sales and use tax collections" means all sales and
19 use tax collections, less the amount of sales and use tax collections
20 attributable to remote sellers.

21 (ii) "Sales and use tax collections" means revenues, penalties, and
22 interest actually collected for credit to the fiscal year under this
23 subsection (1) and RCW 82.12.020.

24 (iii) "Previous fiscal year" means the year ending on the June 30
25 preceding the date the rate is calculated.

26 (2) There is levied and there shall be collected an additional tax
27 on each retail car rental, regardless of whether the vehicle is
28 licensed in this state, equal to five and nine-tenths percent of the
29 selling price. The revenue collected under this subsection shall be

1 deposited in the multimodal transportation account created in RCW
2 47.66.070.

3 (3) Beginning July 1, 2003, there is levied and collected an
4 additional tax of three-tenths of one percent of the selling price on
5 each retail sale of a motor vehicle in this state, other than retail
6 car rentals taxed under subsection (2) of this section. The revenue
7 collected under this subsection shall be deposited in the multimodal
8 transportation account created in RCW 47.66.070.

9 (4) For purposes of subsection (3) of this section, "motor vehicle"
10 has the meaning provided in RCW 46.04.320, but does not include farm
11 tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181,
12 off-road and nonhighway vehicles as defined in RCW 46.09.020, and
13 snowmobiles as defined in RCW 46.10.010.

14 (5) Beginning on December 8, 2005, 0.16 percent of the taxes
15 collected under subsection (1) of this section shall be dedicated to
16 funding comprehensive performance audits required under RCW 43.09.470.
17 The revenue identified in this subsection shall be deposited in the
18 performance audits of government account created in RCW 43.09.475.

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

21 (7) 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. 1304.** A new section is added to chapter 82.14
24 RCW to read as follows:

25 Any local jurisdiction that imposes a tax under this chapter or
26 under RCW 81.104.170 must adjust the tax rate on January 1 of each year
27 by multiplying the rate that is otherwise imposed by the jurisdiction
28 but for the limitations of this section by the fraction described in
29 RCW 82.08.020(1)(b). The department must publish the fraction on its
30 web site as of the preceding October 1. The local jurisdiction must
31 round down the adjusted rate to the nearest tenth of a percent."

32 On page 90, line 13, after "1302" insert "through 1304"

33 Correct the title.

EFFECT: Reduces state and local sales and use tax rates to

reflect increased collections due to voluntary registrations under the streamlined sales and use tax agreement and due to authority to impose sales and use taxes on remote sellers.

--- END ---