
HOUSE BILL 2934

State of Washington

60th Legislature

2008 Regular Session

By Representatives Grant, Halpern, Ross, Walsh, McIntire, and Hankins;
by request of Department of Revenue

Read first time 01/18/08. Referred to Committee on Finance.

1 AN ACT Relating to the business and occupation tax classification
2 for cleaning up radioactive waste and other byproducts of weapons
3 production and nuclear research and development; amending RCW
4 82.04.263; creating a new section; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that the cleaning
7 up of radioactive waste at the Hanford site is crucial to the
8 environment in this state. The legislature intends to include services
9 supporting the cleanup within the radioactive waste cleanup business
10 and occupation tax classification, but it is not the legislature's
11 intent to extend the radioactive waste cleanup classification to all
12 business activities conducted at the Hanford site or performed for
13 persons engaged in the performance of cleanup.

14 (2) It is the legislature's intent in enacting this legislation to
15 ensure that the radioactive waste cleanup business and occupation tax
16 classification applies to all services contributing to the performance
17 of a clean-up project at the Hanford site other than services that are
18 routinely provided to any business, including businesses that are not
19 engaged in clean-up activities.

1 **Sec. 2.** RCW 82.04.263 and 1996 c 112 s 3 are each amended to read
2 as follows:

3 (1) Upon every person engaging within this state in the business of
4 cleaning up for the United States, or its instrumentalities,
5 radioactive waste and other byproducts of weapons production and
6 nuclear research and development; as to such persons the amount of the
7 tax with respect to such business shall be equal to the ~~((value of~~
8 ~~the))~~ gross income of the business multiplied by the rate of 0.471
9 percent.

10 (2) For the purposes of this chapter, "cleaning up radioactive
11 waste and other byproducts of weapons production and nuclear research
12 and development" means:

13 (a) The activities of handling, storing, treating, immobilizing,
14 stabilizing, or disposing of radioactive waste, radioactive tank waste
15 and capsules, nonradioactive hazardous solid and liquid wastes, or
16 spent nuclear fuel;

17 (b) Spent nuclear fuel conditioning;

18 (c) Removal of contamination in soils and groundwater;

19 (d) Decontamination and decommissioning of facilities; and
20 ~~((activities integral and necessary to the direct performance of~~
21 ~~cleanup))~~

22 (e) Services supporting the performance of cleanup. For the
23 purposes of this subsection (2)(e), a service supports the performance
24 of cleanup if it:

25 (i) Is within the scope of work under a clean-up contract with the
26 United States department of energy; or

27 (ii) Assists in the accomplishment of a requirement of a clean-up
28 project undertaken by the United States department of energy under a
29 subcontract entered into with the prime contractor or another
30 subcontractor in furtherance of a clean-up contract between the United
31 States department of energy and a prime contractor.

32 (3) A service does not assist in the accomplishment of a
33 requirement of a clean-up project undertaken by the United States
34 department of energy if the same services are routinely provided to
35 businesses not engaged in clean-up activities, except that the
36 following services are always deemed to contribute to the
37 accomplishment of a requirement of a clean-up project undertaken by the
38 United States department of energy:

1 (a) Information technology and computer support services;

2 (b) Services rendered in respect to infrastructure; and

3 (c) Security, safety, and health services.

4 (4) The legislature intends that the examples provided in this
5 subsection be used as a guideline when determining whether a service is
6 "routinely provided to businesses not engaged in clean-up activities"
7 as that phrase is used in subsection (3) of this section.

8 (a) The radioactive waste cleanup classification does not apply to
9 general accounting services but does apply to performance audits
10 performed for persons cleaning up radioactive waste.

11 (b) The radioactive waste cleanup classification does not apply to
12 general legal services but does apply to those legal services that
13 assist in the accomplishment of a requirement of a clean-up project
14 undertaken by the United States department of energy. Thus, legal
15 services provided to contest any local, state, or federal tax liability
16 or to defend a company against a workers' compensation claim arising
17 from a worksite injury do not qualify for the radioactive waste cleanup
18 classification. But legal services related to the resolution of a
19 contractual dispute between the parties to a clean-up contract between
20 the United States department of energy and a prime contractor do
21 qualify.

22 (c) General office janitorial services do not qualify for the
23 radioactive waste cleanup classification, but the specialized cleaning
24 of equipment exposed to radioactive waste does qualify.

25 NEW SECTION. Sec. 3. This act takes effect July 1, 2008, and
26 applies prospectively only to activities occurring on or after July 1,
27 2008.

--- END ---