
SENATE BILL 5101

State of Washington

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By Senators Mullet, Hobbs, Litzow, Fain, Murray, Hatfield, Hill, Hewitt, and Schoesler

Read first time 01/18/13. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to a sales and use tax exemption for certain
2 financial information provided to qualifying businesses providing
3 international investment management services; adding a new section to
4 chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; and
5 providing an effective date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW
8 to read as follows:

9 (1) The tax imposed by RCW 82.08.020 does not apply to sales of
10 standard financial information to qualifying international investment
11 management companies. The exemption provided in this section applies
12 regardless of whether the standard financial information is provided to
13 the buyer in a tangible format or on a tangible storage medium or as a
14 digital product transferred electronically.

15 (2) Sellers making tax-exempt sales under this section must obtain
16 an exemption certificate from the buyer in a form and manner prescribed
17 by the department. The seller must retain a copy of the exemption
18 certificate for the seller's files. In lieu of an exemption

1 certificate, a seller may capture the relevant data elements as allowed
2 under the streamlined sales and use tax agreement.

3 (3) The definitions in this subsection apply throughout this
4 section unless the context clearly requires otherwise.

5 (a)(i) "Qualifying international investment management company"
6 means a person:

7 (A) Who is primarily engaged in the business of providing
8 investment management services; and

9 (B) Who has gross income that is at least ten percent derived from
10 providing investment management services to:

11 (I) Persons or collective investment funds residing outside the
12 United States; or

13 (II) Collective investment funds with at least ten percent of their
14 investments located outside the United States.

15 (ii) The definitions in RCW 82.04.293 apply to this subsection
16 (3)(a).

17 (b)(i) "Standard financial information" means financial data,
18 facts, or information, or financial information services, not
19 generated, compiled, or developed only for a single customer. Standard
20 financial information includes, but is not limited to, financial market
21 data, bond ratings, credit ratings, and deposit, loan, or mortgage
22 reports.

23 (ii) For purposes of this subsection (3)(b), "financial market
24 data" means market pricing information, such as for securities,
25 commodities, and derivatives; corporate actions for publicly and
26 privately traded companies, such as dividend schedules and
27 reorganizations; corporate attributes, such as domicile, currencies
28 used, and exchanges where shares are traded; and currency information.

29 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW
30 to read as follows:

31 (1) The tax imposed by RCW 82.12.020 does not apply to the use of
32 standard financial information by qualifying international investment
33 management companies. The exemption provided in this section applies
34 regardless of whether the standard financial information is in a
35 tangible format or resides on a tangible storage medium or is a digital
36 product transferred electronically to the qualifying international
37 investment management company.

1 (2) The definitions in section 1 of this act apply to this section.

2 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2013.

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