

CERTIFICATION OF ENROLLMENT

**SENATE BILL 6505**

Chapter 140, Laws of 2014

63rd Legislature  
2014 Regular Session

MARIJUANA PRODUCTS--TAXES

EFFECTIVE DATE: 06/12/14 - Except section 4, which becomes effective 07/01/15; section 6, which is contingent; and section 32, which becomes effective 07/01/2020.

Passed by the Senate March 4, 2014  
YEAS 47 NAYS 0

BRAD OWEN

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**President of the Senate**

Passed by the House March 12, 2014  
YEAS 55 NAYS 42

FRANK CHOPP

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**Speaker of the House of Representatives**

Approved March 28, 2014, 3:06 p.m.

JAY INSLEE  
\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6505** as passed by the Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

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**Secretary**

FILED

March 31, 2014

**Secretary of State  
State of Washington**

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**SENATE BILL 6505**

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Passed Legislature - 2014 Regular Session

**State of Washington                      63rd Legislature                      2014 Regular Session**

**By Senators Hargrove, Hill, and Braun**

Read first time 01/30/14. Referred to Committee on Ways & Means.

1            AN ACT Relating to clarifying that marijuana, useable marijuana,  
2 and marijuana-infused products are not agricultural products; amending  
3 RCW 82.04.100, 82.04.260, 82.04.260, 82.04.260, 82.04.260, 82.04.330,  
4 82.04.331, 82.04.4266, 82.04.625, 82.08.010, 82.08.020, 82.08.02565,  
5 82.12.02565, 82.08.0257, 82.12.0258, 82.08.0273, 82.08.02745,  
6 82.08.0281, 82.08.0288, 82.12.0283, 82.08.0293, 82.08.820, 82.14.430,  
7 82.16.050, 82.29A.020, 84.36.630, 84.40.030, 82.02.010, 15.13.270,  
8 15.13.270, 15.17.020, 15.49.061, and 20.01.030; reenacting and amending  
9 RCW 82.04.213; adding a new section to chapter 84.34 RCW; providing  
10 effective dates; providing a contingent effective date; providing  
11 expiration dates; and providing a contingent expiration date.

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

13            **Sec. 1.** RCW 82.04.100 and 2001 c 118 s 1 are each amended to read  
14 as follows:

15            "Extractor" means every person who from the person's own land or  
16 from the land of another under a right or license granted by lease or  
17 contract, either directly or by contracting with others for the  
18 necessary labor or mechanical services, for sale or for commercial or  
19 industrial use mines, quarries, takes or produces coal, oil, natural

1 gas, ore, stone, sand, gravel, clay, mineral or other natural resource  
2 product, or fells, cuts or takes timber, Christmas trees other than  
3 plantation Christmas trees, or other natural products, or takes fish,  
4 shellfish, or other sea or inland water foods or products. "Extractor"  
5 does not include persons performing under contract the necessary labor  
6 or mechanical services for others; ~~((or))~~ persons meeting the  
7 definition of farmer under RCW 82.04.213; or persons producing  
8 marijuana.

9 **Sec. 2.** RCW 82.04.213 and 2001 c 118 s 2 and 2001 c 97 s 3 are  
10 each reenacted and amended to read as follows:

11 (1) "Agricultural product" means any product of plant cultivation  
12 or animal husbandry including, but not limited to: A product of  
13 horticulture, grain cultivation, vermiculture, viticulture, or  
14 aquaculture as defined in RCW 15.85.020; plantation Christmas trees;  
15 short-rotation hardwoods as defined in RCW 84.33.035; turf; or any  
16 animal including but not limited to an animal that is a private sector  
17 cultured aquatic product as defined in RCW 15.85.020, or a bird, or  
18 insect, or the substances obtained from such an animal. "Agricultural  
19 product" does not include marijuana, useable marijuana, or marijuana-  
20 infused products, or animals defined as pet animals under RCW  
21 16.70.020.

22 (2) "Farmer" means any person engaged in the business of growing,  
23 raising, or producing, upon the person's own lands or upon the lands in  
24 which the person has a present right of possession, any agricultural  
25 product to be sold. "Farmer" does not include a person growing,  
26 raising, or producing such products for the person's own consumption;  
27 a person selling any animal or substance obtained therefrom in  
28 connection with the person's business of operating a stockyard or a  
29 slaughter or packing house; or a person in respect to the business of  
30 taking, cultivating, or raising timber.

31 (3) The terms "agriculture," "farming," "horticulture,"  
32 "horticultural," and "horticultural product" may not be construed to  
33 include or relate to marijuana, useable marijuana, or marijuana-infused  
34 products unless the applicable term is explicitly defined to include  
35 marijuana, useable marijuana, or marijuana-infused products.

36 (4) "Marijuana," "useable marijuana," and "marijuana-infused  
37 products" have the same meaning as in RCW 69.50.101.

1       **Sec. 3.** RCW 82.04.260 and 2013 2nd sp.s. c 13 s 202 are each  
2 amended to read as follows:

3       (1) Upon every person engaging within this state in the business of  
4 manufacturing:

5       (a) Wheat into flour, barley into pearl barley, soybeans into  
6 soybean oil, canola into canola oil, canola meal, or canola by-  
7 products, or sunflower seeds into sunflower oil; as to such persons the  
8 amount of tax with respect to such business is equal to the value of  
9 the flour, pearl barley, oil, canola meal, or canola by-product  
10 manufactured, multiplied by the rate of 0.138 percent;

11       (b) Beginning July 1, 2015, seafood products that remain in a raw,  
12 raw frozen, or raw salted state at the completion of the manufacturing  
13 by that person; or selling manufactured seafood products that remain in  
14 a raw, raw frozen, or raw salted state at the completion of the  
15 manufacturing, to purchasers who transport in the ordinary course of  
16 business the goods out of this state; as to such persons the amount of  
17 tax with respect to such business is equal to the value of the products  
18 manufactured or the gross proceeds derived from such sales, multiplied  
19 by the rate of 0.138 percent. Sellers must keep and preserve records  
20 for the period required by RCW 82.32.070 establishing that the goods  
21 were transported by the purchaser in the ordinary course of business  
22 out of this state;

23       (c)(i) Beginning July 1, 2015, dairy products; or selling dairy  
24 products that the person has manufactured to purchasers who either  
25 transport in the ordinary course of business the goods out of state or  
26 purchasers who use such dairy products as an ingredient or component in  
27 the manufacturing of a dairy product; as to such persons the tax  
28 imposed is equal to the value of the products manufactured or the gross  
29 proceeds derived from such sales multiplied by the rate of 0.138  
30 percent. Sellers must keep and preserve records for the period  
31 required by RCW 82.32.070 establishing that the goods were transported  
32 by the purchaser in the ordinary course of business out of this state  
33 or sold to a manufacturer for use as an ingredient or component in the  
34 manufacturing of a dairy product.

35       (ii) For the purposes of this subsection (1)(c), "dairy products"  
36 means:

37       (A) Products, not including any marijuana-infused product, that as

1 of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts  
2 131, 133, and 135, including by-products from the manufacturing of the  
3 dairy products, such as whey and casein; and

4 (B) Products comprised of not less than seventy percent dairy  
5 products that qualify under (c)(ii)(A) of this subsection, measured by  
6 weight or volume.

7 (iii) The preferential tax rate provided to taxpayers under this  
8 subsection (1)(c) does not apply to sales of dairy products on or after  
9 July 1, 2023, where a dairy product is used by the purchaser as an  
10 ingredient or component in the manufacturing in Washington of a dairy  
11 product;

12 (d)(i) Beginning July 1, 2015, fruits or vegetables by canning,  
13 preserving, freezing, processing, or dehydrating fresh fruits or  
14 vegetables, or selling at wholesale fruits or vegetables manufactured  
15 by the seller by canning, preserving, freezing, processing, or  
16 dehydrating fresh fruits or vegetables and sold to purchasers who  
17 transport in the ordinary course of business the goods out of this  
18 state; as to such persons the amount of tax with respect to such  
19 business is equal to the value of the products manufactured or the  
20 gross proceeds derived from such sales multiplied by the rate of 0.138  
21 percent. Sellers must keep and preserve records for the period  
22 required by RCW 82.32.070 establishing that the goods were transported  
23 by the purchaser in the ordinary course of business out of this state.

24 (ii) For purposes of this subsection (1)(d), "fruits" and  
25 "vegetables" do not include marijuana, useable marijuana, or marijuana-  
26 infused products;

27 (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel  
28 feedstock, as those terms are defined in RCW 82.29A.135; as to such  
29 persons the amount of tax with respect to the business is equal to the  
30 value of alcohol fuel, biodiesel fuel, or biodiesel feedstock  
31 manufactured, multiplied by the rate of 0.138 percent; and

32 (f) Wood biomass fuel as defined in RCW 82.29A.135; as to such  
33 persons the amount of tax with respect to the business is equal to the  
34 value of wood biomass fuel manufactured, multiplied by the rate of  
35 0.138 percent.

36 (2) Upon every person engaging within this state in the business of  
37 splitting or processing dried peas; as to such persons the amount of

1 tax with respect to such business is equal to the value of the peas  
2 split or processed, multiplied by the rate of 0.138 percent.

3 (3) Upon every nonprofit corporation and nonprofit association  
4 engaging within this state in research and development, as to such  
5 corporations and associations, the amount of tax with respect to such  
6 activities is equal to the gross income derived from such activities  
7 multiplied by the rate of 0.484 percent.

8 (4) Upon every person engaging within this state in the business of  
9 slaughtering, breaking and/or processing perishable meat products  
10 and/or selling the same at wholesale only and not at retail; as to such  
11 persons the tax imposed is equal to the gross proceeds derived from  
12 such sales multiplied by the rate of 0.138 percent.

13 (5) Upon every person engaging within this state in the business of  
14 acting as a travel agent or tour operator; as to such persons the  
15 amount of the tax with respect to such activities is equal to the gross  
16 income derived from such activities multiplied by the rate of 0.275  
17 percent.

18 (6) Upon every person engaging within this state in business as an  
19 international steamship agent, international customs house broker,  
20 international freight forwarder, vessel and/or cargo charter broker in  
21 foreign commerce, and/or international air cargo agent; as to such  
22 persons the amount of the tax with respect to only international  
23 activities is equal to the gross income derived from such activities  
24 multiplied by the rate of 0.275 percent.

25 (7) Upon every person engaging within this state in the business of  
26 stevedoring and associated activities pertinent to the movement of  
27 goods and commodities in waterborne interstate or foreign commerce; as  
28 to such persons the amount of tax with respect to such business is  
29 equal to the gross proceeds derived from such activities multiplied by  
30 the rate of 0.275 percent. Persons subject to taxation under this  
31 subsection are exempt from payment of taxes imposed by chapter 82.16  
32 RCW for that portion of their business subject to taxation under this  
33 subsection. Stevedoring and associated activities pertinent to the  
34 conduct of goods and commodities in waterborne interstate or foreign  
35 commerce are defined as all activities of a labor, service or  
36 transportation nature whereby cargo may be loaded or unloaded to or  
37 from vessels or barges, passing over, onto or under a wharf, pier, or  
38 similar structure; cargo may be moved to a warehouse or similar holding

1 or storage yard or area to await further movement in import or export  
2 or may move to a consolidation freight station and be stuffed,  
3 unstuffed, containerized, separated or otherwise segregated or  
4 aggregated for delivery or loaded on any mode of transportation for  
5 delivery to its consignee. Specific activities included in this  
6 definition are: Wharfage, handling, loading, unloading, moving of  
7 cargo to a convenient place of delivery to the consignee or a  
8 convenient place for further movement to export mode; documentation  
9 services in connection with the receipt, delivery, checking, care,  
10 custody and control of cargo required in the transfer of cargo;  
11 imported automobile handling prior to delivery to consignee; terminal  
12 stevedoring and incidental vessel services, including but not limited  
13 to plugging and unplugging refrigerator service to containers,  
14 trailers, and other refrigerated cargo receptacles, and securing ship  
15 hatch covers.

16 (8) Upon every person engaging within this state in the business of  
17 disposing of low-level waste, as defined in RCW 43.145.010; as to such  
18 persons the amount of the tax with respect to such business is equal to  
19 the gross income of the business, excluding any fees imposed under  
20 chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

21 If the gross income of the taxpayer is attributable to activities  
22 both within and without this state, the gross income attributable to  
23 this state must be determined in accordance with the methods of  
24 apportionment required under RCW 82.04.460.

25 (9) Upon every person engaging within this state as an insurance  
26 producer or title insurance agent licensed under chapter 48.17 RCW or  
27 a surplus line broker licensed under chapter 48.15 RCW; as to such  
28 persons, the amount of the tax with respect to such licensed activities  
29 is equal to the gross income of such business multiplied by the rate of  
30 0.484 percent.

31 (10) Upon every person engaging within this state in business as a  
32 hospital, as defined in chapter 70.41 RCW, that is operated as a  
33 nonprofit corporation or by the state or any of its political  
34 subdivisions, as to such persons, the amount of tax with respect to  
35 such activities is equal to the gross income of the business multiplied  
36 by the rate of 0.75 percent through June 30, 1995, and 1.5 percent  
37 thereafter.

1 (11)(a) Beginning October 1, 2005, upon every person engaging  
2 within this state in the business of manufacturing commercial  
3 airplanes, or components of such airplanes, or making sales, at retail  
4 or wholesale, of commercial airplanes or components of such airplanes,  
5 manufactured by the seller, as to such persons the amount of tax with  
6 respect to such business is, in the case of manufacturers, equal to the  
7 value of the product manufactured and the gross proceeds of sales of  
8 the product manufactured, or in the case of processors for hire, equal  
9 to the gross income of the business, multiplied by the rate of:

10 (i) 0.4235 percent from October 1, 2005, through June 30, 2007; and

11 (ii) 0.2904 percent beginning July 1, 2007.

12 (b) Beginning July 1, 2008, upon every person who is not eligible  
13 to report under the provisions of (a) of this subsection (11) and is  
14 engaging within this state in the business of manufacturing tooling  
15 specifically designed for use in manufacturing commercial airplanes or  
16 components of such airplanes, or making sales, at retail or wholesale,  
17 of such tooling manufactured by the seller, as to such persons the  
18 amount of tax with respect to such business is, in the case of  
19 manufacturers, equal to the value of the product manufactured and the  
20 gross proceeds of sales of the product manufactured, or in the case of  
21 processors for hire, be equal to the gross income of the business,  
22 multiplied by the rate of 0.2904 percent.

23 (c) For the purposes of this subsection (11), "commercial airplane"  
24 and "component" have the same meanings as provided in RCW 82.32.550.

25 (d) In addition to all other requirements under this title, a  
26 person reporting under the tax rate provided in this subsection (11)  
27 must file a complete annual report with the department under RCW  
28 82.32.534.

29 (e) This subsection (11) does not apply on and after July 1, 2024.

30 (12)(a) Until July 1, 2024, upon every person engaging within this  
31 state in the business of extracting timber or extracting for hire  
32 timber; as to such persons the amount of tax with respect to the  
33 business is, in the case of extractors, equal to the value of products,  
34 including by-products, extracted, or in the case of extractors for  
35 hire, equal to the gross income of the business, multiplied by the rate  
36 of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904  
37 percent from July 1, 2007, through June 30, 2024.



1 (b) Until July 1, 2024, upon every person engaging within this  
2 state in the business of manufacturing or processing for hire: (i)  
3 Timber into timber products or wood products; or (ii) timber products  
4 into other timber products or wood products; as to such persons the  
5 amount of the tax with respect to the business is, in the case of  
6 manufacturers, equal to the value of products, including by-products,  
7 manufactured, or in the case of processors for hire, equal to the gross  
8 income of the business, multiplied by the rate of 0.4235 percent from  
9 July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1,  
10 2007, through June 30, 2024.

11 (c) Until July 1, 2024, upon every person engaging within this  
12 state in the business of selling at wholesale: (i) Timber extracted by  
13 that person; (ii) timber products manufactured by that person from  
14 timber or other timber products; or (iii) wood products manufactured by  
15 that person from timber or timber products; as to such persons the  
16 amount of the tax with respect to the business is equal to the gross  
17 proceeds of sales of the timber, timber products, or wood products  
18 multiplied by the rate of 0.4235 percent from July 1, 2006, through  
19 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,  
20 2024.

21 (d) Until July 1, 2024, upon every person engaging within this  
22 state in the business of selling standing timber; as to such persons  
23 the amount of the tax with respect to the business is equal to the  
24 gross income of the business multiplied by the rate of 0.2904 percent.  
25 For purposes of this subsection (12)(d), "selling standing timber"  
26 means the sale of timber apart from the land, where the buyer is  
27 required to sever the timber within thirty months from the date of the  
28 original contract, regardless of the method of payment for the timber  
29 and whether title to the timber transfers before, upon, or after  
30 severance.

31 (e) For purposes of this subsection, the following definitions  
32 apply:

33 (i) "Biocomposite surface products" means surface material products  
34 containing, by weight or volume, more than fifty percent recycled paper  
35 and that also use nonpetroleum-based phenolic resin as a bonding agent.

36 (ii) "Paper and paper products" means products made of interwoven  
37 cellulosic fibers held together largely by hydrogen bonding. "Paper  
38 and paper products" includes newsprint; office, printing, fine, and

1 pressure-sensitive papers; paper napkins, towels, and toilet tissue;  
2 kraft bag, construction, and other kraft industrial papers; paperboard,  
3 liquid packaging containers, containerboard, corrugated, and solid-  
4 fiber containers including linerboard and corrugated medium; and  
5 related types of cellulosic products containing primarily, by weight or  
6 volume, cellulosic materials. "Paper and paper products" does not  
7 include books, newspapers, magazines, periodicals, and other printed  
8 publications, advertising materials, calendars, and similar types of  
9 printed materials.

10 (iii) "Recycled paper" means paper and paper products having fifty  
11 percent or more of their fiber content that comes from postconsumer  
12 waste. For purposes of this subsection (12)(e)(iii), "postconsumer  
13 waste" means a finished material that would normally be disposed of as  
14 solid waste, having completed its life cycle as a consumer item.

15 (iv) "Timber" means forest trees, standing or down, on privately or  
16 publicly owned land. "Timber" does not include Christmas trees that  
17 are cultivated by agricultural methods or short-rotation hardwoods as  
18 defined in RCW 84.33.035.

19 (v) "Timber products" means:

20 (A) Logs, wood chips, sawdust, wood waste, and similar products  
21 obtained wholly from the processing of timber, short-rotation hardwoods  
22 as defined in RCW 84.33.035, or both;

23 (B) Pulp, including market pulp and pulp derived from recovered  
24 paper or paper products; and

25 (C) Recycled paper, but only when used in the manufacture of  
26 biocomposite surface products.

27 (vi) "Wood products" means paper and paper products; dimensional  
28 lumber; engineered wood products such as particleboard, oriented strand  
29 board, medium density fiberboard, and plywood; wood doors; wood  
30 windows; and biocomposite surface products.

31 (f) Except for small harvesters as defined in RCW 84.33.035, a  
32 person reporting under the tax rate provided in this subsection (12)  
33 must file a complete annual survey with the department under RCW  
34 82.32.585.

35 (13) Upon every person engaging within this state in inspecting,  
36 testing, labeling, and storing canned salmon owned by another person,  
37 as to such persons, the amount of tax with respect to such activities

1 is equal to the gross income derived from such activities multiplied by  
2 the rate of 0.484 percent.

3 (14)(a) Upon every person engaging within this state in the  
4 business of printing a newspaper, publishing a newspaper, or both, the  
5 amount of tax on such business is equal to the gross income of the  
6 business multiplied by the rate of 0.365 percent through June 30, 2013,  
7 and beginning July 1, 2013, multiplied by the rate of 0.35 percent.

8 (b) A person reporting under the tax rate provided in this  
9 subsection (14) must file a complete annual report with the department  
10 under RCW 82.32.534.

11 **Sec. 4.** RCW 82.04.260 and 2013 2nd sp.s. c 13 s 203 are each  
12 amended to read as follows:

13 (1) Upon every person engaging within this state in the business of  
14 manufacturing:

15 (a) Wheat into flour, barley into pearl barley, soybeans into  
16 soybean oil, canola into canola oil, canola meal, or canola by-  
17 products, or sunflower seeds into sunflower oil; as to such persons the  
18 amount of tax with respect to such business is equal to the value of  
19 the flour, pearl barley, oil, canola meal, or canola by-product  
20 manufactured, multiplied by the rate of 0.138 percent;

21 (b) Beginning July 1, 2015, seafood products that remain in a raw,  
22 raw frozen, or raw salted state at the completion of the manufacturing  
23 by that person; or selling manufactured seafood products that remain in  
24 a raw, raw frozen, or raw salted state at the completion of the  
25 manufacturing, to purchasers who transport in the ordinary course of  
26 business the goods out of this state; as to such persons the amount of  
27 tax with respect to such business is equal to the value of the products  
28 manufactured or the gross proceeds derived from such sales, multiplied  
29 by the rate of 0.138 percent. Sellers must keep and preserve records  
30 for the period required by RCW 82.32.070 establishing that the goods  
31 were transported by the purchaser in the ordinary course of business  
32 out of this state;

33 (c)(i) Beginning July 1, 2015, dairy products; or selling dairy  
34 products that the person has manufactured to purchasers who either  
35 transport in the ordinary course of business the goods out of state or  
36 purchasers who use such dairy products as an ingredient or component in  
37 the manufacturing of a dairy product; as to such persons the tax

1 imposed is equal to the value of the products manufactured or the gross  
2 proceeds derived from such sales multiplied by the rate of 0.138  
3 percent. Sellers must keep and preserve records for the period  
4 required by RCW 82.32.070 establishing that the goods were transported  
5 by the purchaser in the ordinary course of business out of this state  
6 or sold to a manufacturer for use as an ingredient or component in the  
7 manufacturing of a dairy product.

8 (ii) For the purposes of this subsection (1)(c), "dairy products"  
9 means:

10 (A) Products, not including any marijuana-infused product, that as  
11 of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts  
12 131, 133, and 135, including by-products from the manufacturing of the  
13 dairy products, such as whey and casein; and

14 (B) Products comprised of not less than seventy percent dairy  
15 products that qualify under (c)(ii)(A) of this subsection, measured by  
16 weight or volume.

17 (iii) The preferential tax rate provided to taxpayers under this  
18 subsection (1)(c) does not apply to sales of dairy products on or after  
19 July 1, 2023, where a dairy product is used by the purchaser as an  
20 ingredient or component in the manufacturing in Washington of a dairy  
21 product;

22 (d)(i) Beginning July 1, 2015, fruits or vegetables by canning,  
23 preserving, freezing, processing, or dehydrating fresh fruits or  
24 vegetables, or selling at wholesale fruits or vegetables manufactured  
25 by the seller by canning, preserving, freezing, processing, or  
26 dehydrating fresh fruits or vegetables and sold to purchasers who  
27 transport in the ordinary course of business the goods out of this  
28 state; as to such persons the amount of tax with respect to such  
29 business is equal to the value of the products manufactured or the  
30 gross proceeds derived from such sales multiplied by the rate of 0.138  
31 percent. Sellers must keep and preserve records for the period  
32 required by RCW 82.32.070 establishing that the goods were transported  
33 by the purchaser in the ordinary course of business out of this state.

34 (ii) For purposes of this subsection (1)(d), "fruits" and  
35 "vegetables" do not include marijuana, useable marijuana, or marijuana-  
36 infused products;

37 (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel  
38 feedstock, as those terms are defined in RCW 82.29A.135; as to such

1 persons the amount of tax with respect to the business is equal to the  
2 value of alcohol fuel, biodiesel fuel, or biodiesel feedstock  
3 manufactured, multiplied by the rate of 0.138 percent; and

4 (f) Wood biomass fuel as defined in RCW 82.29A.135; as to such  
5 persons the amount of tax with respect to the business is equal to the  
6 value of wood biomass fuel manufactured, multiplied by the rate of  
7 0.138 percent.

8 (2) Upon every person engaging within this state in the business of  
9 splitting or processing dried peas; as to such persons the amount of  
10 tax with respect to such business is equal to the value of the peas  
11 split or processed, multiplied by the rate of 0.138 percent.

12 (3) Upon every nonprofit corporation and nonprofit association  
13 engaging within this state in research and development, as to such  
14 corporations and associations, the amount of tax with respect to such  
15 activities is equal to the gross income derived from such activities  
16 multiplied by the rate of 0.484 percent.

17 (4) Upon every person engaging within this state in the business of  
18 slaughtering, breaking and/or processing perishable meat products  
19 and/or selling the same at wholesale only and not at retail; as to such  
20 persons the tax imposed is equal to the gross proceeds derived from  
21 such sales multiplied by the rate of 0.138 percent.

22 (5) Upon every person engaging within this state in the business of  
23 acting as a travel agent or tour operator; as to such persons the  
24 amount of the tax with respect to such activities is equal to the gross  
25 income derived from such activities multiplied by the rate of 0.275  
26 percent.

27 (6) Upon every person engaging within this state in business as an  
28 international steamship agent, international customs house broker,  
29 international freight forwarder, vessel and/or cargo charter broker in  
30 foreign commerce, and/or international air cargo agent; as to such  
31 persons the amount of the tax with respect to only international  
32 activities is equal to the gross income derived from such activities  
33 multiplied by the rate of 0.275 percent.

34 (7) Upon every person engaging within this state in the business of  
35 stevedoring and associated activities pertinent to the movement of  
36 goods and commodities in waterborne interstate or foreign commerce; as  
37 to such persons the amount of tax with respect to such business is  
38 equal to the gross proceeds derived from such activities multiplied by

1 the rate of 0.275 percent. Persons subject to taxation under this  
2 subsection are exempt from payment of taxes imposed by chapter 82.16  
3 RCW for that portion of their business subject to taxation under this  
4 subsection. Stevedoring and associated activities pertinent to the  
5 conduct of goods and commodities in waterborne interstate or foreign  
6 commerce are defined as all activities of a labor, service or  
7 transportation nature whereby cargo may be loaded or unloaded to or  
8 from vessels or barges, passing over, onto or under a wharf, pier, or  
9 similar structure; cargo may be moved to a warehouse or similar holding  
10 or storage yard or area to await further movement in import or export  
11 or may move to a consolidation freight station and be stuffed,  
12 unstuffed, containerized, separated or otherwise segregated or  
13 aggregated for delivery or loaded on any mode of transportation for  
14 delivery to its consignee. Specific activities included in this  
15 definition are: Wharfage, handling, loading, unloading, moving of  
16 cargo to a convenient place of delivery to the consignee or a  
17 convenient place for further movement to export mode; documentation  
18 services in connection with the receipt, delivery, checking, care,  
19 custody and control of cargo required in the transfer of cargo;  
20 imported automobile handling prior to delivery to consignee; terminal  
21 stevedoring and incidental vessel services, including but not limited  
22 to plugging and unplugging refrigerator service to containers,  
23 trailers, and other refrigerated cargo receptacles, and securing ship  
24 hatch covers.

25 (8) Upon every person engaging within this state in the business of  
26 disposing of low-level waste, as defined in RCW 43.145.010; as to such  
27 persons the amount of the tax with respect to such business is equal to  
28 the gross income of the business, excluding any fees imposed under  
29 chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

30 If the gross income of the taxpayer is attributable to activities  
31 both within and without this state, the gross income attributable to  
32 this state must be determined in accordance with the methods of  
33 apportionment required under RCW 82.04.460.

34 (9) Upon every person engaging within this state as an insurance  
35 producer or title insurance agent licensed under chapter 48.17 RCW or  
36 a surplus line broker licensed under chapter 48.15 RCW; as to such  
37 persons, the amount of the tax with respect to such licensed activities

1 is equal to the gross income of such business multiplied by the rate of  
2 0.484 percent.

3 (10) Upon every person engaging within this state in business as a  
4 hospital, as defined in chapter 70.41 RCW, that is operated as a  
5 nonprofit corporation or by the state or any of its political  
6 subdivisions, as to such persons, the amount of tax with respect to  
7 such activities is equal to the gross income of the business multiplied  
8 by the rate of 0.75 percent through June 30, 1995, and 1.5 percent  
9 thereafter.

10 (11)(a) Beginning October 1, 2005, upon every person engaging  
11 within this state in the business of manufacturing commercial  
12 airplanes, or components of such airplanes, or making sales, at retail  
13 or wholesale, of commercial airplanes or components of such airplanes,  
14 manufactured by the seller, as to such persons the amount of tax with  
15 respect to such business is, in the case of manufacturers, equal to the  
16 value of the product manufactured and the gross proceeds of sales of  
17 the product manufactured, or in the case of processors for hire, equal  
18 to the gross income of the business, multiplied by the rate of:

- 19 (i) 0.4235 percent from October 1, 2005, through June 30, 2007; and  
20 (ii) 0.2904 percent beginning July 1, 2007.

21 (b) Beginning July 1, 2008, upon every person who is not eligible  
22 to report under the provisions of (a) of this subsection (11) and is  
23 engaging within this state in the business of manufacturing tooling  
24 specifically designed for use in manufacturing commercial airplanes or  
25 components of such airplanes, or making sales, at retail or wholesale,  
26 of such tooling manufactured by the seller, as to such persons the  
27 amount of tax with respect to such business is, in the case of  
28 manufacturers, equal to the value of the product manufactured and the  
29 gross proceeds of sales of the product manufactured, or in the case of  
30 processors for hire, be equal to the gross income of the business,  
31 multiplied by the rate of 0.2904 percent.

32 (c) For the purposes of this subsection (11), "commercial airplane"  
33 and "component" have the same meanings as provided in RCW 82.32.550.

34 (d) In addition to all other requirements under this title, a  
35 person reporting under the tax rate provided in this subsection (11)  
36 must file a complete annual report with the department under RCW  
37 82.32.534.

38 (e) This subsection (11) does not apply on and after July 1, 2024.

1 (12)(a) Until July 1, 2024, upon every person engaging within this  
2 state in the business of extracting timber or extracting for hire  
3 timber; as to such persons the amount of tax with respect to the  
4 business is, in the case of extractors, equal to the value of products,  
5 including by-products, extracted, or in the case of extractors for  
6 hire, equal to the gross income of the business, multiplied by the rate  
7 of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904  
8 percent from July 1, 2007, through June 30, 2024.

9 (b) Until July 1, 2024, upon every person engaging within this  
10 state in the business of manufacturing or processing for hire: (i)  
11 Timber into timber products or wood products; or (ii) timber products  
12 into other timber products or wood products; as to such persons the  
13 amount of the tax with respect to the business is, in the case of  
14 manufacturers, equal to the value of products, including by-products,  
15 manufactured, or in the case of processors for hire, equal to the gross  
16 income of the business, multiplied by the rate of 0.4235 percent from  
17 July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1,  
18 2007, through June 30, 2024.

19 (c) Until July 1, 2024, upon every person engaging within this  
20 state in the business of selling at wholesale: (i) Timber extracted by  
21 that person; (ii) timber products manufactured by that person from  
22 timber or other timber products; or (iii) wood products manufactured by  
23 that person from timber or timber products; as to such persons the  
24 amount of the tax with respect to the business is equal to the gross  
25 proceeds of sales of the timber, timber products, or wood products  
26 multiplied by the rate of 0.4235 percent from July 1, 2006, through  
27 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,  
28 2024.

29 (d) Until July 1, 2024, upon every person engaging within this  
30 state in the business of selling standing timber; as to such persons  
31 the amount of the tax with respect to the business is equal to the  
32 gross income of the business multiplied by the rate of 0.2904 percent.  
33 For purposes of this subsection (12)(d), "selling standing timber"  
34 means the sale of timber apart from the land, where the buyer is  
35 required to sever the timber within thirty months from the date of the  
36 original contract, regardless of the method of payment for the timber  
37 and whether title to the timber transfers before, upon, or after  
38 severance.



1 (e) For purposes of this subsection, the following definitions  
2 apply:

3 (i) "Biocomposite surface products" means surface material products  
4 containing, by weight or volume, more than fifty percent recycled paper  
5 and that also use nonpetroleum-based phenolic resin as a bonding agent.

6 (ii) "Paper and paper products" means products made of interwoven  
7 cellulosic fibers held together largely by hydrogen bonding. "Paper  
8 and paper products" includes newsprint; office, printing, fine, and  
9 pressure-sensitive papers; paper napkins, towels, and toilet tissue;  
10 kraft bag, construction, and other kraft industrial papers; paperboard,  
11 liquid packaging containers, containerboard, corrugated, and solid-  
12 fiber containers including linerboard and corrugated medium; and  
13 related types of cellulosic products containing primarily, by weight or  
14 volume, cellulosic materials. "Paper and paper products" does not  
15 include books, newspapers, magazines, periodicals, and other printed  
16 publications, advertising materials, calendars, and similar types of  
17 printed materials.

18 (iii) "Recycled paper" means paper and paper products having fifty  
19 percent or more of their fiber content that comes from postconsumer  
20 waste. For purposes of this subsection (12)(e)(iii), "postconsumer  
21 waste" means a finished material that would normally be disposed of as  
22 solid waste, having completed its life cycle as a consumer item.

23 (iv) "Timber" means forest trees, standing or down, on privately or  
24 publicly owned land. "Timber" does not include Christmas trees that  
25 are cultivated by agricultural methods or short-rotation hardwoods as  
26 defined in RCW 84.33.035.

27 (v) "Timber products" means:

28 (A) Logs, wood chips, sawdust, wood waste, and similar products  
29 obtained wholly from the processing of timber, short-rotation hardwoods  
30 as defined in RCW 84.33.035, or both;

31 (B) Pulp, including market pulp and pulp derived from recovered  
32 paper or paper products; and

33 (C) Recycled paper, but only when used in the manufacture of  
34 biocomposite surface products.

35 (vi) "Wood products" means paper and paper products; dimensional  
36 lumber; engineered wood products such as particleboard, oriented strand  
37 board, medium density fiberboard, and plywood; wood doors; wood  
38 windows; and biocomposite surface products.

1 (f) Except for small harvesters as defined in RCW 84.33.035, a  
2 person reporting under the tax rate provided in this subsection (12)  
3 must file a complete annual survey with the department under RCW  
4 82.32.585.

5 (13) Upon every person engaging within this state in inspecting,  
6 testing, labeling, and storing canned salmon owned by another person,  
7 as to such persons, the amount of tax with respect to such activities  
8 is equal to the gross income derived from such activities multiplied by  
9 the rate of 0.484 percent.

10 (14)(a) Upon every person engaging within this state in the  
11 business of printing a newspaper, publishing a newspaper, or both, the  
12 amount of tax on such business is equal to the gross income of the  
13 business multiplied by the rate of 0.2904 percent.

14 (b) A person reporting under the tax rate provided in this  
15 subsection (14) must file a complete annual report with the department  
16 under RCW 82.32.534.

17 **Sec. 5.** RCW 82.04.260 and 2013 3rd sp.s. c 2 s 5 are each amended  
18 to read as follows:

19 (1) Upon every person engaging within this state in the business of  
20 manufacturing:

21 (a) Wheat into flour, barley into pearl barley, soybeans into  
22 soybean oil, canola into canola oil, canola meal, or canola by-  
23 products, or sunflower seeds into sunflower oil; as to such persons the  
24 amount of tax with respect to such business is equal to the value of  
25 the flour, pearl barley, oil, canola meal, or canola by-product  
26 manufactured, multiplied by the rate of 0.138 percent;

27 (b) Beginning July 1, 2015, seafood products that remain in a raw,  
28 raw frozen, or raw salted state at the completion of the manufacturing  
29 by that person; or selling manufactured seafood products that remain in  
30 a raw, raw frozen, or raw salted state at the completion of the  
31 manufacturing, to purchasers who transport in the ordinary course of  
32 business the goods out of this state; as to such persons the amount of  
33 tax with respect to such business is equal to the value of the products  
34 manufactured or the gross proceeds derived from such sales, multiplied  
35 by the rate of 0.138 percent. Sellers must keep and preserve records  
36 for the period required by RCW 82.32.070 establishing that the goods

1 were transported by the purchaser in the ordinary course of business  
2 out of this state;

3 (c)(i) Beginning July 1, 2015, dairy products; or selling dairy  
4 products that the person has manufactured to purchasers who either  
5 transport in the ordinary course of business the goods out of state or  
6 purchasers who use such dairy products as an ingredient or component in  
7 the manufacturing of a dairy product; as to such persons the tax  
8 imposed is equal to the value of the products manufactured or the gross  
9 proceeds derived from such sales multiplied by the rate of 0.138  
10 percent. Sellers must keep and preserve records for the period  
11 required by RCW 82.32.070 establishing that the goods were transported  
12 by the purchaser in the ordinary course of business out of this state  
13 or sold to a manufacturer for use as an ingredient or component in the  
14 manufacturing of a dairy product.

15 (ii) For the purposes of this subsection (1)(c), "dairy products"  
16 means:

17 (A) Products, not including any marijuana-infused product, that as  
18 of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts  
19 131, 133, and 135, including by-products from the manufacturing of the  
20 dairy products, such as whey and casein; and

21 (B) Products comprised of not less than seventy percent dairy  
22 products that qualify under (c)(ii)(A) of this subsection, measured by  
23 weight or volume.

24 (iii) The preferential tax rate provided to taxpayers under this  
25 subsection (1)(c) does not apply to sales of dairy products on or after  
26 July 1, 2023, where a dairy product is used by the purchaser as an  
27 ingredient or component in the manufacturing in Washington of a dairy  
28 product;

29 (d)(i) Beginning July 1, 2015, fruits or vegetables by canning,  
30 preserving, freezing, processing, or dehydrating fresh fruits or  
31 vegetables, or selling at wholesale fruits or vegetables manufactured  
32 by the seller by canning, preserving, freezing, processing, or  
33 dehydrating fresh fruits or vegetables and sold to purchasers who  
34 transport in the ordinary course of business the goods out of this  
35 state; as to such persons the amount of tax with respect to such  
36 business is equal to the value of the products manufactured or the  
37 gross proceeds derived from such sales multiplied by the rate of 0.138

1 percent. Sellers must keep and preserve records for the period  
2 required by RCW 82.32.070 establishing that the goods were transported  
3 by the purchaser in the ordinary course of business out of this state.

4 (ii) For purposes of this subsection (1)(d), "fruits" and  
5 "vegetables" do not include marijuana, useable marijuana, or marijuana-  
6 infused products;

7 (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel  
8 feedstock, as those terms are defined in RCW 82.29A.135; as to such  
9 persons the amount of tax with respect to the business is equal to the  
10 value of alcohol fuel, biodiesel fuel, or biodiesel feedstock  
11 manufactured, multiplied by the rate of 0.138 percent; and

12 (f) Wood biomass fuel as defined in RCW 82.29A.135; as to such  
13 persons the amount of tax with respect to the business is equal to the  
14 value of wood biomass fuel manufactured, multiplied by the rate of  
15 0.138 percent.

16 (2) Upon every person engaging within this state in the business of  
17 splitting or processing dried peas; as to such persons the amount of  
18 tax with respect to such business is equal to the value of the peas  
19 split or processed, multiplied by the rate of 0.138 percent.

20 (3) Upon every nonprofit corporation and nonprofit association  
21 engaging within this state in research and development, as to such  
22 corporations and associations, the amount of tax with respect to such  
23 activities is equal to the gross income derived from such activities  
24 multiplied by the rate of 0.484 percent.

25 (4) Upon every person engaging within this state in the business of  
26 slaughtering, breaking and/or processing perishable meat products  
27 and/or selling the same at wholesale only and not at retail; as to such  
28 persons the tax imposed is equal to the gross proceeds derived from  
29 such sales multiplied by the rate of 0.138 percent.

30 (5) Upon every person engaging within this state in the business of  
31 acting as a travel agent or tour operator; as to such persons the  
32 amount of the tax with respect to such activities is equal to the gross  
33 income derived from such activities multiplied by the rate of 0.275  
34 percent.

35 (6) Upon every person engaging within this state in business as an  
36 international steamship agent, international customs house broker,  
37 international freight forwarder, vessel and/or cargo charter broker in  
38 foreign commerce, and/or international air cargo agent; as to such

1 persons the amount of the tax with respect to only international  
2 activities is equal to the gross income derived from such activities  
3 multiplied by the rate of 0.275 percent.

4 (7) Upon every person engaging within this state in the business of  
5 stevedoring and associated activities pertinent to the movement of  
6 goods and commodities in waterborne interstate or foreign commerce; as  
7 to such persons the amount of tax with respect to such business is  
8 equal to the gross proceeds derived from such activities multiplied by  
9 the rate of 0.275 percent. Persons subject to taxation under this  
10 subsection are exempt from payment of taxes imposed by chapter 82.16  
11 RCW for that portion of their business subject to taxation under this  
12 subsection. Stevedoring and associated activities pertinent to the  
13 conduct of goods and commodities in waterborne interstate or foreign  
14 commerce are defined as all activities of a labor, service or  
15 transportation nature whereby cargo may be loaded or unloaded to or  
16 from vessels or barges, passing over, onto or under a wharf, pier, or  
17 similar structure; cargo may be moved to a warehouse or similar holding  
18 or storage yard or area to await further movement in import or export  
19 or may move to a consolidation freight station and be stuffed,  
20 unstuffed, containerized, separated or otherwise segregated or  
21 aggregated for delivery or loaded on any mode of transportation for  
22 delivery to its consignee. Specific activities included in this  
23 definition are: Wharfage, handling, loading, unloading, moving of  
24 cargo to a convenient place of delivery to the consignee or a  
25 convenient place for further movement to export mode; documentation  
26 services in connection with the receipt, delivery, checking, care,  
27 custody and control of cargo required in the transfer of cargo;  
28 imported automobile handling prior to delivery to consignee; terminal  
29 stevedoring and incidental vessel services, including but not limited  
30 to plugging and unplugging refrigerator service to containers,  
31 trailers, and other refrigerated cargo receptacles, and securing ship  
32 hatch covers.

33 (8) Upon every person engaging within this state in the business of  
34 disposing of low-level waste, as defined in RCW 43.145.010; as to such  
35 persons the amount of the tax with respect to such business is equal to  
36 the gross income of the business, excluding any fees imposed under  
37 chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

1        If the gross income of the taxpayer is attributable to activities  
2 both within and without this state, the gross income attributable to  
3 this state must be determined in accordance with the methods of  
4 apportionment required under RCW 82.04.460.

5        (9) Upon every person engaging within this state as an insurance  
6 producer or title insurance agent licensed under chapter 48.17 RCW or  
7 a surplus line broker licensed under chapter 48.15 RCW; as to such  
8 persons, the amount of the tax with respect to such licensed activities  
9 is equal to the gross income of such business multiplied by the rate of  
10 0.484 percent.

11        (10) Upon every person engaging within this state in business as a  
12 hospital, as defined in chapter 70.41 RCW, that is operated as a  
13 nonprofit corporation or by the state or any of its political  
14 subdivisions, as to such persons, the amount of tax with respect to  
15 such activities is equal to the gross income of the business multiplied  
16 by the rate of 0.75 percent through June 30, 1995, and 1.5 percent  
17 thereafter.

18        (11)(a) Beginning October 1, 2005, upon every person engaging  
19 within this state in the business of manufacturing commercial  
20 airplanes, or components of such airplanes, or making sales, at retail  
21 or wholesale, of commercial airplanes or components of such airplanes,  
22 manufactured by the seller, as to such persons the amount of tax with  
23 respect to such business is, in the case of manufacturers, equal to the  
24 value of the product manufactured and the gross proceeds of sales of  
25 the product manufactured, or in the case of processors for hire, equal  
26 to the gross income of the business, multiplied by the rate of:

- 27        (i) 0.4235 percent from October 1, 2005, through June 30, 2007; and  
28        (ii) 0.2904 percent beginning July 1, 2007.

29        (b) Beginning July 1, 2008, upon every person who is not eligible  
30 to report under the provisions of (a) of this subsection (11) and is  
31 engaging within this state in the business of manufacturing tooling  
32 specifically designed for use in manufacturing commercial airplanes or  
33 components of such airplanes, or making sales, at retail or wholesale,  
34 of such tooling manufactured by the seller, as to such persons the  
35 amount of tax with respect to such business is, in the case of  
36 manufacturers, equal to the value of the product manufactured and the  
37 gross proceeds of sales of the product manufactured, or in the case of

1 processors for hire, be equal to the gross income of the business,  
2 multiplied by the rate of 0.2904 percent.

3 (c) For the purposes of this subsection (11), "commercial airplane"  
4 and "component" have the same meanings as provided in RCW 82.32.550.

5 (d) In addition to all other requirements under this title, a  
6 person reporting under the tax rate provided in this subsection (11)  
7 must file a complete annual report with the department under RCW  
8 82.32.534.

9 (e)(i) Except as provided in (e)(ii) of this subsection (11), this  
10 subsection (11) does not apply on and after July 1, 2040.

11 (ii) With respect to the manufacturing of commercial airplanes or  
12 making sales, at retail or wholesale, of commercial airplanes, this  
13 subsection (11) does not apply on and after July 1st of the year in  
14 which the department makes a determination that any final assembly or  
15 wing assembly of any version or variant of a commercial airplane that  
16 is the basis of a siting of a significant commercial airplane  
17 manufacturing program in the state under RCW 82.32.850 has been sited  
18 outside the state of Washington. This subsection (11)(e)(ii) only  
19 applies to the manufacturing or sale of commercial airplanes that are  
20 the basis of a siting of a significant commercial airplane  
21 manufacturing program in the state under RCW 82.32.850.

22 (12)(a) Until July 1, 2024, upon every person engaging within this  
23 state in the business of extracting timber or extracting for hire  
24 timber; as to such persons the amount of tax with respect to the  
25 business is, in the case of extractors, equal to the value of products,  
26 including by-products, extracted, or in the case of extractors for  
27 hire, equal to the gross income of the business, multiplied by the rate  
28 of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904  
29 percent from July 1, 2007, through June 30, 2024.

30 (b) Until July 1, 2024, upon every person engaging within this  
31 state in the business of manufacturing or processing for hire: (i)  
32 Timber into timber products or wood products; or (ii) timber products  
33 into other timber products or wood products; as to such persons the  
34 amount of the tax with respect to the business is, in the case of  
35 manufacturers, equal to the value of products, including by-products,  
36 manufactured, or in the case of processors for hire, equal to the gross  
37 income of the business, multiplied by the rate of 0.4235 percent from

1 July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1,  
2 2007, through June 30, 2024.

3 (c) Until July 1, 2024, upon every person engaging within this  
4 state in the business of selling at wholesale: (i) Timber extracted by  
5 that person; (ii) timber products manufactured by that person from  
6 timber or other timber products; or (iii) wood products manufactured by  
7 that person from timber or timber products; as to such persons the  
8 amount of the tax with respect to the business is equal to the gross  
9 proceeds of sales of the timber, timber products, or wood products  
10 multiplied by the rate of 0.4235 percent from July 1, 2006, through  
11 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,  
12 2024.

13 (d) Until July 1, 2024, upon every person engaging within this  
14 state in the business of selling standing timber; as to such persons  
15 the amount of the tax with respect to the business is equal to the  
16 gross income of the business multiplied by the rate of 0.2904 percent.  
17 For purposes of this subsection (12)(d), "selling standing timber"  
18 means the sale of timber apart from the land, where the buyer is  
19 required to sever the timber within thirty months from the date of the  
20 original contract, regardless of the method of payment for the timber  
21 and whether title to the timber transfers before, upon, or after  
22 severance.

23 (e) For purposes of this subsection, the following definitions  
24 apply:

25 (i) "Biocomposite surface products" means surface material products  
26 containing, by weight or volume, more than fifty percent recycled paper  
27 and that also use nonpetroleum-based phenolic resin as a bonding agent.

28 (ii) "Paper and paper products" means products made of interwoven  
29 cellulosic fibers held together largely by hydrogen bonding. "Paper  
30 and paper products" includes newsprint; office, printing, fine, and  
31 pressure-sensitive papers; paper napkins, towels, and toilet tissue;  
32 kraft bag, construction, and other kraft industrial papers; paperboard,  
33 liquid packaging containers, containerboard, corrugated, and solid-  
34 fiber containers including linerboard and corrugated medium; and  
35 related types of cellulosic products containing primarily, by weight or  
36 volume, cellulosic materials. "Paper and paper products" does not  
37 include books, newspapers, magazines, periodicals, and other printed



1 publications, advertising materials, calendars, and similar types of  
2 printed materials.

3 (iii) "Recycled paper" means paper and paper products having fifty  
4 percent or more of their fiber content that comes from postconsumer  
5 waste. For purposes of this subsection (12)(e)(iii), "postconsumer  
6 waste" means a finished material that would normally be disposed of as  
7 solid waste, having completed its life cycle as a consumer item.

8 (iv) "Timber" means forest trees, standing or down, on privately or  
9 publicly owned land. "Timber" does not include Christmas trees that  
10 are cultivated by agricultural methods or short-rotation hardwoods as  
11 defined in RCW 84.33.035.

12 (v) "Timber products" means:

13 (A) Logs, wood chips, sawdust, wood waste, and similar products  
14 obtained wholly from the processing of timber, short-rotation hardwoods  
15 as defined in RCW 84.33.035, or both;

16 (B) Pulp, including market pulp and pulp derived from recovered  
17 paper or paper products; and

18 (C) Recycled paper, but only when used in the manufacture of  
19 biocomposite surface products.

20 (vi) "Wood products" means paper and paper products; dimensional  
21 lumber; engineered wood products such as particleboard, oriented strand  
22 board, medium density fiberboard, and plywood; wood doors; wood  
23 windows; and biocomposite surface products.

24 (f) Except for small harvesters as defined in RCW 84.33.035, a  
25 person reporting under the tax rate provided in this subsection (12)  
26 must file a complete annual survey with the department under RCW  
27 82.32.585.

28 (13) Upon every person engaging within this state in inspecting,  
29 testing, labeling, and storing canned salmon owned by another person,  
30 as to such persons, the amount of tax with respect to such activities  
31 is equal to the gross income derived from such activities multiplied by  
32 the rate of 0.484 percent.

33 (14)(a) Upon every person engaging within this state in the  
34 business of printing a newspaper, publishing a newspaper, or both, the  
35 amount of tax on such business is equal to the gross income of the  
36 business multiplied by the rate of 0.365 percent through June 30, 2013,  
37 and beginning July 1, 2013, multiplied by the rate of 0.35 percent.

1 (b) A person reporting under the tax rate provided in this  
2 subsection (14) must file a complete annual report with the department  
3 under RCW 82.32.534.

4 **Sec. 6.** RCW 82.04.260 and 2013 3rd sp.s. c 2 s 6 are each amended  
5 to read as follows:

6 (1) Upon every person engaging within this state in the business of  
7 manufacturing:

8 (a) Wheat into flour, barley into pearl barley, soybeans into  
9 soybean oil, canola into canola oil, canola meal, or canola by-  
10 products, or sunflower seeds into sunflower oil; as to such persons the  
11 amount of tax with respect to such business is equal to the value of  
12 the flour, pearl barley, oil, canola meal, or canola by-product  
13 manufactured, multiplied by the rate of 0.138 percent;

14 (b) Beginning July 1, 2015, seafood products that remain in a raw,  
15 raw frozen, or raw salted state at the completion of the manufacturing  
16 by that person; or selling manufactured seafood products that remain in  
17 a raw, raw frozen, or raw salted state at the completion of the  
18 manufacturing, to purchasers who transport in the ordinary course of  
19 business the goods out of this state; as to such persons the amount of  
20 tax with respect to such business is equal to the value of the products  
21 manufactured or the gross proceeds derived from such sales, multiplied  
22 by the rate of 0.138 percent. Sellers must keep and preserve records  
23 for the period required by RCW 82.32.070 establishing that the goods  
24 were transported by the purchaser in the ordinary course of business  
25 out of this state;

26 (c)(i) Beginning July 1, 2015, dairy products; or selling dairy  
27 products that the person has manufactured to purchasers who either  
28 transport in the ordinary course of business the goods out of state or  
29 purchasers who use such dairy products as an ingredient or component in  
30 the manufacturing of a dairy product; as to such persons the tax  
31 imposed is equal to the value of the products manufactured or the gross  
32 proceeds derived from such sales multiplied by the rate of 0.138  
33 percent. Sellers must keep and preserve records for the period  
34 required by RCW 82.32.070 establishing that the goods were transported  
35 by the purchaser in the ordinary course of business out of this state  
36 or sold to a manufacturer for use as an ingredient or component in the  
37 manufacturing of a dairy product.

1 (ii) For the purposes of this subsection (1)(c), "dairy products"  
2 means:

3 (A) Products, not including any marijuana-infused product, that as  
4 of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts  
5 131, 133, and 135, including by-products from the manufacturing of the  
6 dairy products, such as whey and casein; and

7 (B) Products comprised of not less than seventy percent dairy  
8 products that qualify under (c)(ii)(A) of this subsection, measured by  
9 weight or volume.

10 (iii) The preferential tax rate provided to taxpayers under this  
11 subsection (1)(c) does not apply to sales of dairy products on or after  
12 July 1, 2023, where a dairy product is used by the purchaser as an  
13 ingredient or component in the manufacturing in Washington of a dairy  
14 product;

15 (d)(i) Beginning July 1, 2015, fruits or vegetables by canning,  
16 preserving, freezing, processing, or dehydrating fresh fruits or  
17 vegetables, or selling at wholesale fruits or vegetables manufactured  
18 by the seller by canning, preserving, freezing, processing, or  
19 dehydrating fresh fruits or vegetables and sold to purchasers who  
20 transport in the ordinary course of business the goods out of this  
21 state; as to such persons the amount of tax with respect to such  
22 business is equal to the value of the products manufactured or the  
23 gross proceeds derived from such sales multiplied by the rate of 0.138  
24 percent. Sellers must keep and preserve records for the period  
25 required by RCW 82.32.070 establishing that the goods were transported  
26 by the purchaser in the ordinary course of business out of this state.

27 (ii) For purposes of this subsection (1)(d), "fruits" and  
28 "vegetables" do not include marijuana, useable marijuana, or marijuana-  
29 infused products;

30 (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel  
31 feedstock, as those terms are defined in RCW 82.29A.135; as to such  
32 persons the amount of tax with respect to the business is equal to the  
33 value of alcohol fuel, biodiesel fuel, or biodiesel feedstock  
34 manufactured, multiplied by the rate of 0.138 percent; and

35 (f) Wood biomass fuel as defined in RCW 82.29A.135; as to such  
36 persons the amount of tax with respect to the business is equal to the  
37 value of wood biomass fuel manufactured, multiplied by the rate of  
38 0.138 percent.

1 (2) Upon every person engaging within this state in the business of  
2 splitting or processing dried peas; as to such persons the amount of  
3 tax with respect to such business is equal to the value of the peas  
4 split or processed, multiplied by the rate of 0.138 percent.

5 (3) Upon every nonprofit corporation and nonprofit association  
6 engaging within this state in research and development, as to such  
7 corporations and associations, the amount of tax with respect to such  
8 activities is equal to the gross income derived from such activities  
9 multiplied by the rate of 0.484 percent.

10 (4) Upon every person engaging within this state in the business of  
11 slaughtering, breaking and/or processing perishable meat products  
12 and/or selling the same at wholesale only and not at retail; as to such  
13 persons the tax imposed is equal to the gross proceeds derived from  
14 such sales multiplied by the rate of 0.138 percent.

15 (5) Upon every person engaging within this state in the business of  
16 acting as a travel agent or tour operator; as to such persons the  
17 amount of the tax with respect to such activities is equal to the gross  
18 income derived from such activities multiplied by the rate of 0.275  
19 percent.

20 (6) Upon every person engaging within this state in business as an  
21 international steamship agent, international customs house broker,  
22 international freight forwarder, vessel and/or cargo charter broker in  
23 foreign commerce, and/or international air cargo agent; as to such  
24 persons the amount of the tax with respect to only international  
25 activities is equal to the gross income derived from such activities  
26 multiplied by the rate of 0.275 percent.

27 (7) Upon every person engaging within this state in the business of  
28 stevedoring and associated activities pertinent to the movement of  
29 goods and commodities in waterborne interstate or foreign commerce; as  
30 to such persons the amount of tax with respect to such business is  
31 equal to the gross proceeds derived from such activities multiplied by  
32 the rate of 0.275 percent. Persons subject to taxation under this  
33 subsection are exempt from payment of taxes imposed by chapter 82.16  
34 RCW for that portion of their business subject to taxation under this  
35 subsection. Stevedoring and associated activities pertinent to the  
36 conduct of goods and commodities in waterborne interstate or foreign  
37 commerce are defined as all activities of a labor, service or  
38 transportation nature whereby cargo may be loaded or unloaded to or

1 from vessels or barges, passing over, onto or under a wharf, pier, or  
2 similar structure; cargo may be moved to a warehouse or similar holding  
3 or storage yard or area to await further movement in import or export  
4 or may move to a consolidation freight station and be stuffed,  
5 unstuffed, containerized, separated or otherwise segregated or  
6 aggregated for delivery or loaded on any mode of transportation for  
7 delivery to its consignee. Specific activities included in this  
8 definition are: Wharfage, handling, loading, unloading, moving of  
9 cargo to a convenient place of delivery to the consignee or a  
10 convenient place for further movement to export mode; documentation  
11 services in connection with the receipt, delivery, checking, care,  
12 custody and control of cargo required in the transfer of cargo;  
13 imported automobile handling prior to delivery to consignee; terminal  
14 stevedoring and incidental vessel services, including but not limited  
15 to plugging and unplugging refrigerator service to containers,  
16 trailers, and other refrigerated cargo receptacles, and securing ship  
17 hatch covers.

18 (8) Upon every person engaging within this state in the business of  
19 disposing of low-level waste, as defined in RCW 43.145.010; as to such  
20 persons the amount of the tax with respect to such business is equal to  
21 the gross income of the business, excluding any fees imposed under  
22 chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

23 If the gross income of the taxpayer is attributable to activities  
24 both within and without this state, the gross income attributable to  
25 this state must be determined in accordance with the methods of  
26 apportionment required under RCW 82.04.460.

27 (9) Upon every person engaging within this state as an insurance  
28 producer or title insurance agent licensed under chapter 48.17 RCW or  
29 a surplus line broker licensed under chapter 48.15 RCW; as to such  
30 persons, the amount of the tax with respect to such licensed activities  
31 is equal to the gross income of such business multiplied by the rate of  
32 0.484 percent.

33 (10) Upon every person engaging within this state in business as a  
34 hospital, as defined in chapter 70.41 RCW, that is operated as a  
35 nonprofit corporation or by the state or any of its political  
36 subdivisions, as to such persons, the amount of tax with respect to  
37 such activities is equal to the gross income of the business multiplied

1 by the rate of 0.75 percent through June 30, 1995, and 1.5 percent  
2 thereafter.

3 (11)(a) Beginning October 1, 2005, upon every person engaging  
4 within this state in the business of manufacturing commercial  
5 airplanes, or components of such airplanes, or making sales, at retail  
6 or wholesale, of commercial airplanes or components of such airplanes,  
7 manufactured by the seller, as to such persons the amount of tax with  
8 respect to such business is, in the case of manufacturers, equal to the  
9 value of the product manufactured and the gross proceeds of sales of  
10 the product manufactured, or in the case of processors for hire, equal  
11 to the gross income of the business, multiplied by the rate of:

12 (i) 0.4235 percent from October 1, 2005, through June 30, 2007; and

13 (ii) 0.2904 percent beginning July 1, 2007.

14 (b) Beginning July 1, 2008, upon every person who is not eligible  
15 to report under the provisions of (a) of this subsection (11) and is  
16 engaging within this state in the business of manufacturing tooling  
17 specifically designed for use in manufacturing commercial airplanes or  
18 components of such airplanes, or making sales, at retail or wholesale,  
19 of such tooling manufactured by the seller, as to such persons the  
20 amount of tax with respect to such business is, in the case of  
21 manufacturers, equal to the value of the product manufactured and the  
22 gross proceeds of sales of the product manufactured, or in the case of  
23 processors for hire, be equal to the gross income of the business,  
24 multiplied by the rate of 0.2904 percent.

25 (c) For the purposes of this subsection (11), "commercial airplane"  
26 and "component" have the same meanings as provided in RCW 82.32.550.

27 (d) In addition to all other requirements under this title, a  
28 person reporting under the tax rate provided in this subsection (11)  
29 must file a complete annual report with the department under RCW  
30 82.32.534.

31 (e)(i) Except as provided in (e)(ii) of this subsection (11), this  
32 subsection (11) does not apply on and after July 1, 2040.

33 (ii) With respect to the manufacturing of commercial airplanes or  
34 making sales, at retail or wholesale, of commercial airplanes, this  
35 subsection (11) does not apply on and after July 1st of the year in  
36 which the department makes a determination that any final assembly or  
37 wing assembly of any version or variant of a commercial airplane that  
38 is the basis of a siting of a significant commercial airplane

1 manufacturing program in the state under RCW 82.32.850 has been sited  
2 outside the state of Washington. This subsection (11)(e)(ii) only  
3 applies to the manufacturing or sale of commercial airplanes that are  
4 the basis of a siting of a significant commercial airplane  
5 manufacturing program in the state under RCW 82.32.850.

6 (12)(a) Until July 1, 2024, upon every person engaging within this  
7 state in the business of extracting timber or extracting for hire  
8 timber; as to such persons the amount of tax with respect to the  
9 business is, in the case of extractors, equal to the value of products,  
10 including by-products, extracted, or in the case of extractors for  
11 hire, equal to the gross income of the business, multiplied by the rate  
12 of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904  
13 percent from July 1, 2007, through June 30, 2024.

14 (b) Until July 1, 2024, upon every person engaging within this  
15 state in the business of manufacturing or processing for hire: (i)  
16 Timber into timber products or wood products; or (ii) timber products  
17 into other timber products or wood products; as to such persons the  
18 amount of the tax with respect to the business is, in the case of  
19 manufacturers, equal to the value of products, including by-products,  
20 manufactured, or in the case of processors for hire, equal to the gross  
21 income of the business, multiplied by the rate of 0.4235 percent from  
22 July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1,  
23 2007, through June 30, 2024.

24 (c) Until July 1, 2024, upon every person engaging within this  
25 state in the business of selling at wholesale: (i) Timber extracted by  
26 that person; (ii) timber products manufactured by that person from  
27 timber or other timber products; or (iii) wood products manufactured by  
28 that person from timber or timber products; as to such persons the  
29 amount of the tax with respect to the business is equal to the gross  
30 proceeds of sales of the timber, timber products, or wood products  
31 multiplied by the rate of 0.4235 percent from July 1, 2006, through  
32 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,  
33 2024.

34 (d) Until July 1, 2024, upon every person engaging within this  
35 state in the business of selling standing timber; as to such persons  
36 the amount of the tax with respect to the business is equal to the  
37 gross income of the business multiplied by the rate of 0.2904 percent.  
38 For purposes of this subsection (12)(d), "selling standing timber"

1 means the sale of timber apart from the land, where the buyer is  
2 required to sever the timber within thirty months from the date of the  
3 original contract, regardless of the method of payment for the timber  
4 and whether title to the timber transfers before, upon, or after  
5 severance.

6 (e) For purposes of this subsection, the following definitions  
7 apply:

8 (i) "Biocomposite surface products" means surface material products  
9 containing, by weight or volume, more than fifty percent recycled paper  
10 and that also use nonpetroleum-based phenolic resin as a bonding agent.

11 (ii) "Paper and paper products" means products made of interwoven  
12 cellulosic fibers held together largely by hydrogen bonding. "Paper  
13 and paper products" includes newsprint; office, printing, fine, and  
14 pressure-sensitive papers; paper napkins, towels, and toilet tissue;  
15 kraft bag, construction, and other kraft industrial papers; paperboard,  
16 liquid packaging containers, containerboard, corrugated, and solid-  
17 fiber containers including linerboard and corrugated medium; and  
18 related types of cellulosic products containing primarily, by weight or  
19 volume, cellulosic materials. "Paper and paper products" does not  
20 include books, newspapers, magazines, periodicals, and other printed  
21 publications, advertising materials, calendars, and similar types of  
22 printed materials.

23 (iii) "Recycled paper" means paper and paper products having fifty  
24 percent or more of their fiber content that comes from postconsumer  
25 waste. For purposes of this subsection (12)(e)(iii), "postconsumer  
26 waste" means a finished material that would normally be disposed of as  
27 solid waste, having completed its life cycle as a consumer item.

28 (iv) "Timber" means forest trees, standing or down, on privately or  
29 publicly owned land. "Timber" does not include Christmas trees that  
30 are cultivated by agricultural methods or short-rotation hardwoods as  
31 defined in RCW 84.33.035.

32 (v) "Timber products" means:

33 (A) Logs, wood chips, sawdust, wood waste, and similar products  
34 obtained wholly from the processing of timber, short-rotation hardwoods  
35 as defined in RCW 84.33.035, or both;

36 (B) Pulp, including market pulp and pulp derived from recovered  
37 paper or paper products; and



1 (C) Recycled paper, but only when used in the manufacture of  
2 biocomposite surface products.

3 (vi) "Wood products" means paper and paper products; dimensional  
4 lumber; engineered wood products such as particleboard, oriented strand  
5 board, medium density fiberboard, and plywood; wood doors; wood  
6 windows; and biocomposite surface products.

7 (f) Except for small harvesters as defined in RCW 84.33.035, a  
8 person reporting under the tax rate provided in this subsection (12)  
9 must file a complete annual survey with the department under RCW  
10 82.32.585.

11 (13) Upon every person engaging within this state in inspecting,  
12 testing, labeling, and storing canned salmon owned by another person,  
13 as to such persons, the amount of tax with respect to such activities  
14 is equal to the gross income derived from such activities multiplied by  
15 the rate of 0.484 percent.

16 (14)(a) Upon every person engaging within this state in the  
17 business of printing a newspaper, publishing a newspaper, or both, the  
18 amount of tax on such business is equal to the gross income of the  
19 business multiplied by the rate of 0.2904 percent.

20 (b) A person reporting under the tax rate provided in this  
21 subsection (14) must file a complete annual report with the department  
22 under RCW 82.32.534.

23 **Sec. 7.** RCW 82.04.330 and 2001 c 118 s 3 are each amended to read  
24 as follows:

25 (1) This chapter (~~shall~~) does not apply to any farmer (~~that~~  
26 ~~sells~~) in respect to the sale of any agricultural product at wholesale  
27 or to any farmer who grows, raises, or produces agricultural products  
28 owned by others, such as custom feed operations. This exemption  
29 (~~shall~~) does not apply to any person selling such products at retail  
30 or to any person selling manufactured substances or articles.

31 (2) This chapter (~~shall~~) also does not apply to any persons who  
32 participate in the federal conservation reserve program or its  
33 successor administered by the United States department of agriculture  
34 with respect to land enrolled in that program.

35 **Sec. 8.** RCW 82.04.331 and 1998 c 170 s 2 are each amended to read  
36 as follows:

1 (1) This chapter does not apply to amounts received by a person  
2 engaging within this state in the business of: (a) Making wholesale  
3 sales to farmers of seed conditioned for use in planting and not  
4 packaged for retail sale; or (b) conditioning seed for planting owned  
5 by others.

6 (2) For the purposes of this section, "seed" means seed potatoes  
7 and all other "agricultural seed" as defined in RCW 15.49.011. "Seed"  
8 does not include "flower seeds" or "vegetable seeds" as defined in RCW  
9 15.49.011, or any other seeds or propagative portions of plants used to  
10 grow marijuana, ornamental flowers, or ~~((used to grow))~~ any type of  
11 bush, moss, fern, shrub, or tree.

12 **Sec. 9.** RCW 82.04.4266 and 2012 2nd sp.s. c 6 s 201 are each  
13 amended to read as follows:

14 (1) This chapter does not apply to the value of products or the  
15 gross proceeds of sales derived from:

16 (a) Manufacturing fruits or vegetables by canning, preserving,  
17 freezing, processing, or dehydrating fresh fruits or vegetables; or

18 (b) Selling at wholesale fruits or vegetables manufactured by the  
19 seller by canning, preserving, freezing, processing, or dehydrating  
20 fresh fruits or vegetables and sold to purchasers who transport in the  
21 ordinary course of business the goods out of this state. A person  
22 taking an exemption under this subsection (1)(b) must keep and preserve  
23 records for the period required by RCW 82.32.070 establishing that the  
24 goods were transported by the purchaser in the ordinary course of  
25 business out of this state.

26 (2) For purposes of this section, "fruits" and "vegetables" do not  
27 include marijuana, useable marijuana, or marijuana-infused products.

28 (3) A person claiming the exemption provided in this section must  
29 file a complete annual survey with the department under RCW 82.32.585.

30 ~~((3))~~ (4) This section expires July 1, 2015.

31 **Sec. 10.** RCW 82.04.625 and 2007 c 334 s 1 are each amended to read  
32 as follows:

33 (1) This chapter does not apply to any:

34 (a) Person performing custom farming services for a farmer, when  
35 the person performing the custom farming services is: (i) An eligible  
36 farmer; or (ii) at least fifty percent owned by an eligible farmer; or

1 (b) Person performing farm management services, contract labor  
2 services, services provided with respect to animals that are  
3 agricultural products, or any combination of these services, for a  
4 farmer or for a person performing custom farming services, when the  
5 person performing the farm management services, contract labor  
6 services, services with respect to animals, or any combination of these  
7 services, and the farmer or person performing custom farming services  
8 are related.

9 (2) The definitions in this subsection apply throughout this  
10 section.

11 (a)(i) "Custom farming services" means the performance of specific  
12 farming operations through the use of any farm machinery or equipment,  
13 farm implement, or draft animal, together with an operator, when: (i)  
14 The specific farming operation consists of activities directly related  
15 to the growing, raising, or producing of any agricultural product to be  
16 sold or consumed by a farmer; and (ii) the performance of the specific  
17 farming operation is for, and under a contract with, or the direction  
18 or supervision of, a farmer. "Custom farming services" does not  
19 include the custom application of fertilizers, chemicals, or  
20 biologicals, or any services related to the growing, raising, or  
21 producing of marijuana.

22 (ii) For the purposes of this subsection (2)(a), "specific farming  
23 operation" includes specific planting, cultivating, or harvesting  
24 activities, or similar specific farming operations. The term does not  
25 include veterinary services as defined in RCW 18.92.010; farrier,  
26 boarding, training, or appraisal services; artificial insemination or  
27 stud services, agricultural consulting services; packing or processing  
28 of agricultural products; or pumping or other waste disposal services.

29 (b) "Eligible farmer" means a person who is eligible for an  
30 exemption certificate under RCW 82.08.855 at the time that the custom  
31 farming services are rendered, regardless of whether the person has  
32 applied for an exemption certificate under RCW 82.08.855.

33 (c) "Farm management services" means the consultative decisions  
34 made for the operations of the farm including, but not limited to,  
35 determining which crops to plant, the choice and timing of application  
36 of fertilizers and chemicals, the horticultural practices to apply, the  
37 marketing of crops and livestock, and the care and feeding of animals.

1 "Farm management services" does not include any services related to the  
2 growing, raising, or producing of marijuana.

3 (d) "Related" means having any of the relationships specifically  
4 described in section 267(b) (1), (2), and (4) through (13) of the  
5 internal revenue code, as amended or renumbered as of January 1, 2007.

6 **Sec. 11.** RCW 82.08.010 and 2010 c 106 s 210 are each amended to  
7 read as follows:

8 For the purposes of this chapter:

9 (1)(a)(i) "Selling price" includes "sales price." "Sales price"  
10 means the total amount of consideration, except separately stated  
11 trade-in property of like kind, including cash, credit, property, and  
12 services, for which tangible personal property, extended warranties,  
13 digital goods, digital codes, digital automated services, or other  
14 services or anything else defined as a "retail sale" under RCW  
15 82.04.050 are sold, leased, or rented, valued in money, whether  
16 received in money or otherwise. No deduction from the total amount of  
17 consideration is allowed for the following: (~~(+i)~~) (A) The seller's  
18 cost of the property sold; (~~(+ii)~~) (B) the cost of materials used,  
19 labor or service cost, interest, losses, all costs of transportation to  
20 the seller, all taxes imposed on the seller, and any other expense of  
21 the seller; (~~(+iii)~~) (C) charges by the seller for any services  
22 necessary to complete the sale, other than delivery and installation  
23 charges; (~~(+iv)~~) (D) delivery charges; and (~~(+v)~~) (E) installation  
24 charges.

25 (ii) When tangible personal property is rented or leased under  
26 circumstances that the consideration paid does not represent a  
27 reasonable rental for the use of the articles so rented or leased, the  
28 "selling price" (~~(shall)~~) must be determined as nearly as possible  
29 according to the value of such use at the places of use of similar  
30 products of like quality and character under such rules as the  
31 department may prescribe;

32 (b) "Selling price" or "sales price" does not include: Discounts,  
33 including cash, term, or coupons that are not reimbursed by a third  
34 party that are allowed by a seller and taken by a purchaser on a sale;  
35 interest, financing, and carrying charges from credit extended on the  
36 sale of tangible personal property, extended warranties, digital goods,  
37 digital codes, digital automated services, or other services or

1 anything else defined as a retail sale in RCW 82.04.050, if the amount  
2 is separately stated on the invoice, bill of sale, or similar document  
3 given to the purchaser; and any taxes legally imposed directly on the  
4 consumer that are separately stated on the invoice, bill of sale, or  
5 similar document given to the purchaser;

6 (c) "Selling price" or "sales price" includes consideration  
7 received by the seller from a third party if:

8 (i) The seller actually receives consideration from a party other  
9 than the purchaser, and the consideration is directly related to a  
10 price reduction or discount on the sale;

11 (ii) The seller has an obligation to pass the price reduction or  
12 discount through to the purchaser;

13 (iii) The amount of the consideration attributable to the sale is  
14 fixed and determinable by the seller at the time of the sale of the  
15 item to the purchaser; and

16 (iv) One of the criteria in this subsection (1)(c)(iv) is met:

17 (A) The purchaser presents a coupon, certificate, or other  
18 documentation to the seller to claim a price reduction or discount  
19 where the coupon, certificate, or documentation is authorized,  
20 distributed, or granted by a third party with the understanding that  
21 the third party will reimburse any seller to whom the coupon,  
22 certificate, or documentation is presented;

23 (B) The purchaser identifies himself or herself to the seller as a  
24 member of a group or organization entitled to a price reduction or  
25 discount, however a "preferred customer" card that is available to any  
26 patron does not constitute membership in such a group; or

27 (C) The price reduction or discount is identified as a third party  
28 price reduction or discount on the invoice received by the purchaser or  
29 on a coupon, certificate, or other documentation presented by the  
30 purchaser;

31 (2)(a) "Seller" means every person, including the state and its  
32 departments and institutions, making sales at retail or retail sales to  
33 a buyer, purchaser, or consumer, whether as agent, broker, or  
34 principal, except "seller" does not mean:

35 (i) The state and its departments and institutions when making  
36 sales to the state and its departments and institutions; or

37 (ii) A professional employer organization when a covered employee  
38 coemployed with the client under the terms of a professional employer

1 agreement engages in activities that constitute a sale at retail that  
2 is subject to the tax imposed by this chapter. In such cases, the  
3 client, and not the professional employer organization, is deemed to be  
4 the seller and is responsible for collecting and remitting the tax  
5 imposed by this chapter.

6 (b) For the purposes of (a) of this subsection, the terms "client,"  
7 "covered employee," "professional employer agreement," and  
8 "professional employer organization" have the same meanings as in RCW  
9 82.04.540;

10 (3) "Buyer," "purchaser," and "consumer" include, without limiting  
11 the scope hereof, every individual, receiver, assignee, trustee in  
12 bankruptcy, trust, estate, firm, copartnership, joint venture, club,  
13 company, joint stock company, business trust, corporation, association,  
14 society, or any group of individuals acting as a unit, whether mutual,  
15 cooperative, fraternal, nonprofit, or otherwise, municipal corporation,  
16 quasi municipal corporation, and also the state, its departments and  
17 institutions and all political subdivisions thereof, irrespective of  
18 the nature of the activities engaged in or functions performed, and  
19 also the United States or any instrumentality thereof;

20 (4) "Delivery charges" means charges by the seller of personal  
21 property or services for preparation and delivery to a location  
22 designated by the purchaser of personal property or services including,  
23 but not limited to, transportation, shipping, postage, handling,  
24 crating, and packing;

25 (5) "Direct mail" means printed material delivered or distributed  
26 by United States mail or other delivery service to a mass audience or  
27 to addressees on a mailing list provided by the purchaser or at the  
28 direction of the purchaser when the cost of the items are not billed  
29 directly to the recipients. "Direct mail" includes tangible personal  
30 property supplied directly or indirectly by the purchaser to the direct  
31 mail seller for inclusion in the package containing the printed  
32 material. "Direct mail" does not include multiple items of printed  
33 material delivered to a single address;

34 (6) The meaning attributed in chapter 82.04 RCW to the terms "tax  
35 year," "taxable year," "person," "company," "sale," "sale at  
36 wholesale," "wholesale," "business," "engaging in business," "cash  
37 discount," "successor," "consumer," "in this state," (~~and~~) "within

1 this state," marijuana, useable marijuana, and marijuana-infused  
2 products applies equally to the provisions of this chapter;

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

9 (8) "Extended warranty" has the same meaning as in RCW  
10 82.04.050(7);

11 (9) The definitions in RCW 82.04.192 apply to this chapter;

12 (10) For the purposes of the taxes imposed under this chapter and  
13 chapter 82.12 RCW, whenever the terms "property" or "personal property"  
14 are used, those terms must be construed to include digital goods and  
15 digital codes unless:

16 (a) It is clear from the context that the term "personal property"  
17 is intended only to refer to tangible personal property;

18 (b) It is clear from the context that the term "property" is  
19 intended only to refer to tangible personal property, real property, or  
20 both; or

21 (c) To construe the term "property" or "personal property" as  
22 including digital goods and digital codes would yield unlikely, absurd,  
23 or strained consequences; and

24 (11) "Retail sale" or "sale at retail" means any sale, lease, or  
25 rental for any purpose other than for resale, sublease, or subrent.

26 (12) The terms "agriculture," "farming," "horticulture,"  
27 "horticultural," and "horticultural product" may not be construed to  
28 include or relate to marijuana, useable marijuana, or marijuana-infused  
29 products unless the applicable term is explicitly defined to include  
30 marijuana, useable marijuana, or marijuana-infused products.

31 **Sec. 12.** RCW 82.08.020 and 2011 c 171 s 120 are each amended to  
32 read as follows:

33 (1) There is levied and collected a tax equal to six and five-  
34 tenths percent of the selling price on each retail sale in this state  
35 of:

36 (a) Tangible personal property, unless the sale is specifically  
37 excluded from the RCW 82.04.050 definition of retail sale;

1 (b) Digital goods, digital codes, and digital automated services,  
2 if the sale is included within the RCW 82.04.050 definition of retail  
3 sale;

4 (c) Services, other than digital automated services, included  
5 within the RCW 82.04.050 definition of retail sale;

6 (d) Extended warranties to consumers; and

7 (e) Anything else, the sale of which is included within the RCW  
8 82.04.050 definition of retail sale.

9 (2) There is levied and collected an additional tax on each retail  
10 car rental, regardless of whether the vehicle is licensed in this  
11 state, equal to five and nine-tenths percent of the selling price. The  
12 revenue collected under this subsection must be deposited in the  
13 multimodal transportation account created in RCW 47.66.070.

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

20 (4) For purposes of subsection (3) of this section, "motor vehicle"  
21 has the meaning provided in RCW 46.04.320, but does not include:

22 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and  
23 46.04.181, unless the farm tractor or farm vehicle is for use in the  
24 production of marijuana;

25 (b) Off-road vehicles as defined in RCW 46.04.365((7));

26 (c) Nonhighway vehicles as defined in RCW 46.09.310((7)); and

27 (d) Snowmobiles as defined in RCW 46.04.546.

28 (5) Beginning on December 8, 2005, 0.16 percent of the taxes  
29 collected under subsection (1) of this section must be dedicated to  
30 funding comprehensive performance audits required under RCW 43.09.470.  
31 The revenue identified in this subsection must be deposited in the  
32 performance audits of government account created in RCW 43.09.475.

33 (6) The taxes imposed under this chapter apply to successive retail  
34 sales of the same property.

35 (7) The rates provided in this section apply to taxes imposed under  
36 chapter 82.12 RCW as provided in RCW 82.12.020.



1           **Sec. 13.** RCW 82.08.02565 and 2011 c 23 s 2 are each amended to  
2 read as follows:

3           (1)(a) The tax levied by RCW 82.08.020 does not apply to sales to  
4 a manufacturer or processor for hire of machinery and equipment used  
5 directly in a manufacturing operation or research and development  
6 operation, to sales to a person engaged in testing for a manufacturer  
7 or processor for hire of machinery and equipment used directly in a  
8 testing operation, or to sales of or charges made for labor and  
9 services rendered in respect to installing, repairing, cleaning,  
10 altering, or improving the machinery and equipment.

11           (b) Sellers making tax-exempt sales under this section must obtain  
12 from the purchaser an exemption certificate in a form and manner  
13 prescribed by the department by rule. The seller must retain a copy of  
14 the certificate for the seller's files.

15           (2) For purposes of this section and RCW 82.12.02565:

16           (a) "Machinery and equipment" means industrial fixtures, devices,  
17 and support facilities, and tangible personal property that becomes an  
18 ingredient or component thereof, including repair parts and replacement  
19 parts. "Machinery and equipment" includes pollution control equipment  
20 installed and used in a manufacturing operation, testing operation, or  
21 research and development operation to prevent air pollution, water  
22 pollution, or contamination that might otherwise result from the  
23 manufacturing operation, testing operation, or research and development  
24 operation. "Machinery and equipment" also includes digital goods.

25           (b) "Machinery and equipment" does not include:

26           (i) Hand-powered tools;

27           (ii) Property with a useful life of less than one year;

28           (iii) Buildings, other than machinery and equipment that is  
29 permanently affixed to or becomes a physical part of a building; and

30           (iv) Building fixtures that are not integral to the manufacturing  
31 operation, testing operation, or research and development operation  
32 that are permanently affixed to and become a physical part of a  
33 building, such as utility systems for heating, ventilation, air  
34 conditioning, communications, plumbing, or electrical.

35           (c) Machinery and equipment is "used directly" in a manufacturing  
36 operation, testing operation, or research and development operation if  
37 the machinery and equipment:

- 1 (i) Acts upon or interacts with an item of tangible personal  
2 property;
- 3 (ii) Conveys, transports, handles, or temporarily stores an item of  
4 tangible personal property at the manufacturing site or testing site;
- 5 (iii) Controls, guides, measures, verifies, aligns, regulates, or  
6 tests tangible personal property at the site or away from the site;
- 7 (iv) Provides physical support for or access to tangible personal  
8 property;
- 9 (v) Produces power for, or lubricates machinery and equipment;
- 10 (vi) Produces another item of tangible personal property for use in  
11 the manufacturing operation, testing operation, or research and  
12 development operation;
- 13 (vii) Places tangible personal property in the container, package,  
14 or wrapping in which the tangible personal property is normally sold or  
15 transported; or
- 16 (viii) Is integral to research and development as defined in RCW  
17 82.63.010.
- 18 (d) "Manufacturer" means a person that qualifies as a manufacturer  
19 under RCW 82.04.110. "Manufacturer" also includes a person that prints  
20 newspapers or other materials.
- 21 (e) "Manufacturing" means only those activities that come within  
22 the definition of "to manufacture" in RCW 82.04.120 and are taxed as  
23 manufacturing or processing for hire under chapter 82.04 RCW, or would  
24 be taxed as such if such activity were conducted in this state or if  
25 not for an exemption or deduction. "Manufacturing" also includes  
26 printing newspapers or other materials. An activity is not taxed as  
27 manufacturing or processing for hire under chapter 82.04 RCW if the  
28 activity is within the purview of chapter 82.16 RCW.
- 29 (f) "Manufacturing operation" means the manufacturing of articles,  
30 substances, or commodities for sale as tangible personal property. A  
31 manufacturing operation begins at the point where the raw materials  
32 enter the manufacturing site and ends at the point where the processed  
33 material leaves the manufacturing site. With respect to the production  
34 of class A or exceptional quality biosolids by a wastewater treatment  
35 facility, the manufacturing operation begins at the point where class  
36 B biosolids undergo additional processing to achieve class A or  
37 exceptional quality standards. Notwithstanding anything to the  
38 contrary in this section, the term also includes that portion of a

1 cogeneration project that is used to generate power for consumption  
2 within the manufacturing site of which the cogeneration project is an  
3 integral part. The term does not include the preparation of food  
4 products on the premises of a person selling food products at retail.

5 (g) "Cogeneration" means the simultaneous generation of electrical  
6 energy and low-grade heat from the same fuel.

7 (h) "Research and development operation" means engaging in research  
8 and development as defined in RCW 82.63.010 by a manufacturer or  
9 processor for hire.

10 (i) "Testing" means activities performed to establish or determine  
11 the properties, qualities, and limitations of tangible personal  
12 property.

13 (j) "Testing operation" means the testing of tangible personal  
14 property for a manufacturer or processor for hire. A testing operation  
15 begins at the point where the tangible personal property enters the  
16 testing site and ends at the point where the tangible personal property  
17 leaves the testing site. The term also includes the testing of  
18 tangible personal property for use in that portion of a cogeneration  
19 project that is used to generate power for consumption within the  
20 manufacturing site of which the cogeneration project is an integral  
21 part. The term does not include the testing of tangible personal  
22 property for use in the production of electricity by a light and power  
23 business as defined in RCW 82.16.010 or the preparation of food  
24 products on the premises of a person selling food products at retail.

25 (3) This section does not apply (a) to sales of machinery and  
26 equipment used directly in the manufacturing, research and development,  
27 or testing of marijuana, useable marijuana, or marijuana-infused  
28 products, or (b) to sales of or charges made for labor and services  
29 rendered in respect to installing, repairing, cleaning, altering, or  
30 improving such machinery and equipment.

31 **Sec. 14.** RCW 82.12.02565 and 2003 c 5 s 5 are each amended to read  
32 as follows:

33 (1) The provisions of this chapter (~~shall~~) do not apply in  
34 respect to the use by a manufacturer or processor for hire of machinery  
35 and equipment used directly in a manufacturing operation or research  
36 and development operation, to the use by a person engaged in testing  
37 for a manufacturer or processor for hire of machinery and equipment

1 used directly in a testing operation, or to the use of labor and  
2 services rendered in respect to installing, repairing, cleaning,  
3 altering, or improving the machinery and equipment.

4 (2) This section does not apply to the use of (a) machinery and  
5 equipment used directly in the manufacturing, research and development,  
6 or testing of marijuana, useable marijuana, or marijuana-infused  
7 products, or (b) labor and services rendered in respect to installing,  
8 repairing, cleaning, altering, or improving such machinery and  
9 equipment.

10 **Sec. 15.** RCW 82.08.0257 and 2009 c 535 s 511 are each amended to  
11 read as follows:

12 The tax levied by RCW 82.08.020 does not apply to auction sales  
13 made by or through auctioneers of personal property (including  
14 household goods) that has been used in conducting a farm activity, when  
15 the seller thereof is a farmer as defined in RCW 82.04.213 and the sale  
16 is held or conducted upon a farm and not otherwise. The exemption in  
17 this section does not apply to personal property used by the seller in  
18 the production of marijuana, useable marijuana, or marijuana-infused  
19 products.

20 **Sec. 16.** RCW 82.12.0258 and 2009 c 535 s 612 are each amended to  
21 read as follows:

22 The provisions of this chapter do not apply in respect to the use  
23 of personal property (including household goods) that has been used in  
24 conducting a farm activity, if such property was purchased from a  
25 farmer as defined in RCW 82.04.213 at an auction sale held or conducted  
26 by an auctioneer upon a farm and not otherwise. The exemption in this  
27 section does not apply to personal property used by the seller in the  
28 production of marijuana, useable marijuana, or marijuana-infused  
29 products.

30 **Sec. 17.** RCW 82.08.0273 and 2011 c 7 s 1 are each amended to read  
31 as follows:

32 (1) The tax levied by RCW 82.08.020 does not apply to sales to  
33 nonresidents of this state of tangible personal property, digital  
34 goods, and digital codes, when:

35 (a) The property is for use outside this state;

1 (b) The purchaser is a bona fide resident of a province or  
2 territory of Canada or a state, territory, or possession of the United  
3 States, other than the state of Washington; and

4 (i) Such state, possession, territory, or province does not impose,  
5 or have imposed on its behalf, a generally applicable retail sales tax,  
6 use tax, value added tax, gross receipts tax on retailing activities,  
7 or similar generally applicable tax, of three percent or more; or

8 (ii) If imposing a tax described in (b)(i) of this subsection,  
9 provides an exemption for sales to Washington residents by reason of  
10 their residence; and

11 (c) The purchaser agrees, when requested, to grant the department  
12 of revenue access to such records and other forms of verification at  
13 his or her place of residence to assure that such purchases are not  
14 first used substantially in the state of Washington.

15 (2) Notwithstanding anything to the contrary in this chapter, if  
16 parts or other tangible personal property are installed by the seller  
17 during the course of repairing, cleaning, altering, or improving motor  
18 vehicles, trailers, or campers and the seller makes a separate charge  
19 for the tangible personal property, the tax levied by RCW 82.08.020  
20 does not apply to the separately stated charge to a nonresident  
21 purchaser for the tangible personal property but only if the separately  
22 stated charge does not exceed either the seller's current publicly  
23 stated retail price for the tangible personal property or, if no  
24 publicly stated retail price is available, the seller's cost for the  
25 tangible personal property. However, the exemption provided by this  
26 section does not apply if tangible personal property is installed by  
27 the seller during the course of repairing, cleaning, altering, or  
28 improving motor vehicles, trailers, or campers and the seller makes a  
29 single nonitemized charge for providing the tangible personal property  
30 and service. All of the requirements in subsections (1) and (3)  
31 through (6) of this section apply to this subsection.

32 (3)(a) Any person claiming exemption from retail sales tax under  
33 the provisions of this section must display proof of his or her current  
34 nonresident status as provided in this section.

35 (b) Acceptable proof of a nonresident person's status includes one  
36 piece of identification such as a valid driver's license from the  
37 jurisdiction in which the out-of-state residency is claimed or a valid  
38 identification card which has a photograph of the holder and is issued

1 by the out-of-state jurisdiction. Identification under this subsection  
2 (3)(b) must show the holder's residential address and have as one of  
3 its legal purposes the establishment of residency in that out-of-state  
4 jurisdiction.

5 (c) In lieu of furnishing proof of a person's nonresident status  
6 under (b) of this subsection (3), a person claiming exemption from  
7 retail sales tax under the provisions of this section may provide the  
8 seller with an exemption certificate in compliance with subsection  
9 (4)(b) of this section.

10 (4)(a) Nothing in this section requires the vendor to make tax  
11 exempt retail sales to nonresidents. A vendor may choose to make sales  
12 to nonresidents, collect the sales tax, and remit the amount of sales  
13 tax collected to the state as otherwise provided by law. If the vendor  
14 chooses to make a sale to a nonresident without collecting the sales  
15 tax, the vendor must examine the purchaser's proof of nonresidence,  
16 determine whether the proof is acceptable under subsection (3)(b) of  
17 this section, and maintain records for each nontaxable sale which  
18 (~~shall~~) must show the type of proof accepted, including any  
19 identification numbers where appropriate, and the expiration date, if  
20 any.

21 (b) In lieu of using the method provided in (a) of this subsection  
22 to document an exempt sale to a nonresident, a seller may accept from  
23 the purchaser a properly completed uniform exemption certificate  
24 approved by the streamlined sales and use tax agreement governing board  
25 or any other exemption certificate as may be authorized by the  
26 department and properly completed by the purchaser. A nonresident  
27 purchaser who uses an exemption certificate authorized in this  
28 subsection (4)(b) must include the purchaser's driver's license number  
29 or other state-issued identification number and the state of issuance.

30 (c) In lieu of using the methods provided in (a) and (b) of this  
31 subsection to document an exempt sale to a nonresident, a seller may  
32 capture the relevant data elements as allowed under the streamlined  
33 sales and use tax agreement.

34 (5)(a) Any person making fraudulent statements, which includes the  
35 offer of fraudulent identification or fraudulently procured  
36 identification to a vendor, in order to purchase goods without paying  
37 retail sales tax is guilty of perjury under chapter 9A.72 RCW.

1 (b) Any person making tax exempt purchases under this section by  
2 displaying proof of identification not his or her own, or counterfeit  
3 identification, with intent to violate the provisions of this section,  
4 is guilty of a misdemeanor and, in addition, is liable for the tax and  
5 subject to a penalty equal to the greater of one hundred dollars or the  
6 tax due on such purchases.

7 (6)(a) Any vendor who makes sales without collecting the tax and  
8 who fails to maintain records of sales to nonresidents as provided in  
9 this section is personally liable for the amount of tax due.

10 (b) Any vendor who makes sales without collecting the retail sales  
11 tax under this section and who has actual knowledge that the  
12 purchaser's proof of identification establishing out-of-state residency  
13 is fraudulent is guilty of a misdemeanor and, in addition, is liable  
14 for the tax and subject to a penalty equal to the greater of one  
15 thousand dollars or the tax due on such sales. In addition, both the  
16 purchaser and the vendor are liable for any penalties and interest  
17 assessable under chapter 82.32 RCW.

18 (7) The exemption in this section does not apply to sales of  
19 marijuana, useable marijuana, or marijuana-infused products.

20 **Sec. 18.** RCW 82.08.02745 and 2007 c 54 s 14 are each amended to  
21 read as follows:

22 (1) The tax levied by RCW 82.08.020 (~~shall~~) does not apply to  
23 charges made for labor and services rendered by any person in respect  
24 to the constructing, repairing, decorating, or improving of new or  
25 existing buildings or other structures used as agricultural employee  
26 housing, or to sales of tangible personal property that becomes an  
27 ingredient or component of the buildings or other structures during the  
28 course of the constructing, repairing, decorating, or improving the  
29 buildings or other structures. The exemption is available only if the  
30 buyer provides the seller with an exemption certificate in a form and  
31 manner prescribed by the department by rule.

32 (2) The exemption provided in this section for agricultural  
33 employee housing provided to year-round employees of the agricultural  
34 employer, only applies if that housing is built to the current building  
35 code for single-family or multifamily dwellings according to the state  
36 building code, chapter 19.27 RCW.

1 (3) Any agricultural employee housing built under this section  
2 (~~shall~~) must be used according to this section for at least five  
3 consecutive years from the date the housing is approved for occupancy,  
4 or the full amount of tax otherwise due (~~shall be~~) is immediately due  
5 and payable together with interest, but not penalties, from the date  
6 the housing is approved for occupancy until the date of payment. If at  
7 any time agricultural employee housing that is not located on  
8 agricultural land ceases to be used in the manner specified in  
9 subsection (2) of this section, the full amount of tax otherwise due  
10 (~~shall be~~) is immediately due and payable with interest, but not  
11 penalties, from the date the housing ceases to be used as agricultural  
12 employee housing until the date of payment.

13 (4) The exemption provided in this section (~~shall~~) does not apply  
14 to housing built for the occupancy of an employer, family members of an  
15 employer, or persons owning stock or shares in a farm partnership or  
16 corporation business.

17 (5) For purposes of this section and RCW 82.12.02685(~~+~~), the  
18 following definitions apply unless the context clearly requires  
19 otherwise.

20 (a) "Agricultural employee" or "employee" has the same meaning as  
21 given in RCW 19.30.010;

22 (b) "Agricultural employer" or "employer" has the same meaning as  
23 given in RCW 19.30.010; and

24 (c) "Agricultural employee housing" means all facilities provided  
25 by an agricultural employer, housing authority, local government, state  
26 or federal agency, nonprofit community or neighborhood-based  
27 organization that is exempt from income tax under section 501(c) of the  
28 internal revenue code of 1986 (26 U.S.C. Sec. 501(c)), or for-profit  
29 provider of housing for housing agricultural employees on a year-round  
30 or seasonal basis, including bathing, food handling, hand washing,  
31 laundry, and toilet facilities, single-family and multifamily dwelling  
32 units and dormitories, and includes labor camps under RCW 70.114A.110.  
33 "Agricultural employee housing" does not include:

34 (i) Housing regularly provided on a commercial basis to the general  
35 public(~~(. "Agricultural employee housing" does not include))~~);

36 (ii) Housing provided by a housing authority unless at least eighty  
37 percent of the occupants are agricultural employees whose adjusted



1 income is less than fifty percent of median family income, adjusted for  
2 household size, for the county where the housing is provided; and  
3 (iii) Housing provided to agricultural employees providing services  
4 related to the growing, raising, or producing of marijuana.

5 **Sec. 19.** RCW 82.08.0281 and 2004 c 153 s 108 are each amended to  
6 read as follows:

7 (1) The tax levied by RCW 82.08.020 (~~shall~~) does not apply to  
8 sales of drugs for human use dispensed or to be dispensed to patients,  
9 pursuant to a prescription.

10 (2) The tax levied by RCW 82.08.020 (~~shall~~) does not apply to  
11 sales of drugs or devices used for family planning purposes, including  
12 the prevention of conception, for human use dispensed or to be  
13 dispensed to patients, pursuant to a prescription.

14 (3) The tax levied by RCW 82.08.020 (~~shall~~) does not apply to  
15 sales of drugs and devices used for family planning purposes, including  
16 the prevention of conception, for human use supplied by a family  
17 planning clinic that is under contract with the department of health to  
18 provide family planning services.

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

21 (a) "Prescription" means an order, formula, or recipe issued in any  
22 form of oral, written, electronic, or other means of transmission by a  
23 duly licensed practitioner authorized by the laws of this state to  
24 prescribe.

25 (b) "Drug" means a compound, substance, or preparation, and any  
26 component of a compound, substance, or preparation, other than food and  
27 food ingredients, dietary supplements, or alcoholic beverages,  
28 marijuana, useable marijuana, or marijuana-infused products:

29 (i) Recognized in the official United States pharmacopoeia,  
30 official homeopathic pharmacopoeia of the United States, or official  
31 national formulary, or any supplement to any of them; or

32 (ii) Intended for use in the diagnosis, cure, mitigation,  
33 treatment, or prevention of disease; or

34 (iii) Intended to affect the structure or any function of the body.

35 (c) "Over-the-counter drug" means a drug that contains a label that  
36 identifies the product as a drug required by 21 C.F.R. Sec. 201.66, as  
37 amended or renumbered on January 1, 2003. The label includes:

- 1 (i) A "drug facts" panel; or
- 2 (ii) A statement of the "active ingredient(s)" with a list of those
- 3 ingredients contained in the compound, substance, or preparation.

4 **Sec. 20.** RCW 82.08.0288 and 1983 1st ex.s. c 55 s 5 are each  
5 amended to read as follows:

6 The tax levied by RCW 82.08.020 (~~shall~~) does not apply to the  
7 lease of irrigation equipment if:

8 (1) The irrigation equipment was purchased by the lessor for the  
9 purpose of irrigating land controlled by the lessor;

10 (2) The lessor has paid tax under RCW 82.08.020 or 82.12.020 in  
11 respect to the irrigation equipment;

12 (3) The irrigation equipment is attached to the land in whole or in  
13 part; (~~and~~)

14 (4) The irrigation equipment is not used in the production of  
15 marijuana; and

16 (5) The irrigation equipment is leased to the lessee as an  
17 incidental part of the lease of the underlying land to the lessee and  
18 is used solely on such land.

19 **Sec. 21.** RCW 82.12.0283 and 1983 1st ex.s. c 55 s 6 are each  
20 amended to read as follows:

21 The provisions of this chapter (~~shall~~) do not apply to the use of  
22 irrigation equipment if:

23 (1) The irrigation equipment was purchased by the lessor for the  
24 purpose of irrigating land controlled by the lessor;

25 (2) The lessor has paid tax under RCW 82.08.020 or 82.12.020 in  
26 respect to the irrigation equipment;

27 (3) The irrigation equipment is attached to the land in whole or in  
28 part; (~~and~~)

29 (4) The irrigation equipment is not used in the production of  
30 marijuana; and

31 (5) The irrigation equipment is leased to the lessee as an  
32 incidental part of the lease of the underlying land to the lessee and  
33 is used solely on such land.

34 **Sec. 22.** RCW 82.08.0293 and 2011 c 2 s 301 are each amended to  
35 read as follows:

1 (1) The tax levied by RCW 82.08.020 does not apply to sales of food  
2 and food ingredients. "Food and food ingredients" means substances,  
3 whether in liquid, concentrated, solid, frozen, dried, or dehydrated  
4 form, that are sold for ingestion or chewing by humans and are consumed  
5 for their taste or nutritional value. "Food and food ingredients" does  
6 not include:

7 (a) "Alcoholic beverages," which means beverages that are suitable  
8 for human consumption and contain one-half of one percent or more of  
9 alcohol by volume; (~~and~~)

10 (b) "Tobacco," which means cigarettes, cigars, chewing or pipe  
11 tobacco, or any other item that contains tobacco; and

12 (c) Marijuana, useable marijuana, or marijuana-infused products.

13 (2) The exemption of "food and food ingredients" provided for in  
14 subsection (1) of this section does not apply to prepared food, soft  
15 drinks, or dietary supplements. For purposes of this subsection, the  
16 following definitions apply:

17 (a) "Dietary supplement" means any product, other than tobacco,  
18 intended to supplement the diet that:

19 (i) Contains one or more of the following dietary ingredients:

20 (A) A vitamin;

21 (B) A mineral;

22 (C) An herb or other botanical;

23 (D) An amino acid;

24 (E) A dietary substance for use by humans to supplement the diet by  
25 increasing the total dietary intake; or

26 (F) A concentrate, metabolite, constituent, extract, or combination  
27 of any ingredient described in this subsection;

28 (ii) Is intended for ingestion in tablet, capsule, powder, softgel,  
29 gelcap, or liquid form, or if not intended for ingestion in such form,  
30 is not represented as conventional food and is not represented for use  
31 as a sole item of a meal or of the diet; and

32 (iii) Is required to be labeled as a dietary supplement,  
33 identifiable by the "supplement facts" box found on the label as  
34 required pursuant to 21 C.F.R. Sec. 101.36, as amended or renumbered as  
35 of January 1, 2003.

36 (b)(i) "Prepared food" means:

37 (A) Food sold in a heated state or heated by the seller;

1 (B) Food sold with eating utensils provided by the seller,  
2 including plates, knives, forks, spoons, glasses, cups, napkins, or  
3 straws. A plate does not include a container or packaging used to  
4 transport the food; or

5 (C) Two or more food ingredients mixed or combined by the seller  
6 for sale as a single item, except:

7 (I) Food that is only cut, repackaged, or pasteurized by the  
8 seller; or

9 (II) Raw eggs, fish, meat, poultry, and foods containing these raw  
10 animal foods requiring cooking by the consumer as recommended by the  
11 federal food and drug administration in chapter 3, part 401.11 of The  
12 Food Code, published by the food and drug administration, as amended or  
13 renumbered as of January 1, 2003, so as to prevent foodborne illness.

14 (ii) "Prepared food" does not include the following food or food  
15 ingredients, if the food or food ingredients are sold without eating  
16 utensils provided by the seller:

17 (A) Food sold by a seller whose proper primary North American  
18 industry classification system (NAICS) classification is manufacturing  
19 in sector 311, except subsector 3118 (bakeries), as provided in the  
20 "North American industry classification system--United States, 2002";

21 (B) Food sold in an unheated state by weight or volume as a single  
22 item; or

23 (C) Bakery items. The term "bakery items" includes bread, rolls,  
24 buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes,  
25 tortes, pies, tarts, muffins, bars, cookies, or tortillas.

26 (c) "Soft drinks" means nonalcoholic beverages that contain natural  
27 or artificial sweeteners. Soft drinks do not include beverages that  
28 contain: Milk or milk products; soy, rice, or similar milk  
29 substitutes; or greater than fifty percent of vegetable or fruit juice  
30 by volume.

31 (3) Notwithstanding anything in this section to the contrary, the  
32 exemption of "food and food ingredients" provided in this section  
33 applies to food and food ingredients that are furnished, prepared, or  
34 served as meals:

35 (a) Under a state administered nutrition program for the aged as  
36 provided for in the older Americans act (P.L. 95-478 Title III) and RCW  
37 74.38.040(6);

1 (b) That are provided to senior citizens, individuals with  
2 disabilities, or low-income persons by a not-for-profit organization  
3 organized under chapter 24.03 or 24.12 RCW; or

4 (c) That are provided to residents, sixty-two years of age or  
5 older, of a qualified low-income senior housing facility by the lessor  
6 or operator of the facility. The sale of a meal that is billed to both  
7 spouses of a marital community or both domestic partners of a domestic  
8 partnership meets the age requirement in this subsection (3)(c) if at  
9 least one of the spouses or domestic partners is at least sixty-two  
10 years of age. For purposes of this subsection, "qualified low-income  
11 senior housing facility" means a facility:

12 (i) That meets the definition of a qualified low-income housing  
13 project under 26 U.S.C. Sec. 42 of the federal internal revenue code,  
14 as existing on August 1, 2009;

15 (ii) That has been partially funded under 42 U.S.C. Sec. 1485; and

16 (iii) For which the lessor or operator has at any time been  
17 entitled to claim a federal income tax credit under 26 U.S.C. Sec. 42  
18 of the federal internal revenue code.

19 (4)(a) Subsection (1) of this section notwithstanding, the retail  
20 sale of food and food ingredients is subject to sales tax under RCW  
21 82.08.020 if the food and food ingredients are sold through a vending  
22 machine. Except as provided in (b) of this subsection, the selling  
23 price of food and food ingredients sold through a vending machine for  
24 purposes of RCW 82.08.020 is fifty-seven percent of the gross receipts.

25 (b) For soft drinks and hot prepared food and food ingredients,  
26 other than food and food ingredients which are heated after they have  
27 been dispensed from the vending machine, the selling price is the total  
28 gross receipts of such sales divided by the sum of one plus the sales  
29 tax rate expressed as a decimal.

30 (c) For tax collected under this subsection (4), the requirements  
31 that the tax be collected from the buyer and that the amount of tax be  
32 stated as a separate item are waived.

33 **Sec. 23.** RCW 82.08.820 and 2011 c 174 s 206 are each amended to  
34 read as follows:

35 (1) Wholesalers or third-party warehouseers who own or operate  
36 warehouses or grain elevators and retailers who own or operate

1 distribution centers, and who have paid the tax levied by RCW 82.08.020  
2 on:

3 (a) Material-handling and racking equipment, and labor and services  
4 rendered in respect to installing, repairing, cleaning, altering, or  
5 improving the equipment; or

6 (b) Construction of a warehouse or grain elevator, including  
7 materials, and including service and labor costs,  
8 are eligible for an exemption in the form of a remittance. The amount  
9 of the remittance is computed under subsection (3) of this section and  
10 is based on the state share of sales tax.

11 (2) For purposes of this section and RCW 82.12.820:

12 (a) "Agricultural products" has the meaning given in RCW 82.04.213;

13 (b) "Construction" means the actual construction of a warehouse or  
14 grain elevator that did not exist before the construction began.  
15 "Construction" includes expansion if the expansion adds at least two  
16 hundred thousand square feet of additional space to an existing  
17 warehouse or additional storage capacity of at least one million  
18 bushels to an existing grain elevator. "Construction" does not include  
19 renovation, remodeling, or repair;

20 (c) "Department" means the department of revenue;

21 (d) "Distribution center" means a warehouse that is used  
22 exclusively by a retailer solely for the storage and distribution of  
23 finished goods to retail outlets of the retailer. "Distribution  
24 center" does not include a warehouse at which retail sales occur;

25 (e) "Finished goods" means tangible personal property intended for  
26 sale by a retailer or wholesaler. "Finished goods" does not include:

27 (i) Agricultural products stored by wholesalers, third-party  
28 warehouses, or retailers if the storage takes place on the land of the  
29 person who produced the agricultural product (.~~—"Finished goods" does~~  
30 ~~not include~~);

31 (ii) Logs, minerals, petroleum, gas, or other extracted products  
32 stored as raw materials or in bulk; or

33 (iii) Marijuana, useable marijuana, or marijuana-infused products;

34 (f) "Grain elevator" means a structure used for storage and  
35 handling of grain in bulk;

36 (g) "Material-handling equipment and racking equipment" means  
37 equipment in a warehouse or grain elevator that is primarily used to  
38 handle, store, organize, convey, package, or repackage finished goods.

1 The term includes tangible personal property with a useful life of one  
2 year or more that becomes an ingredient or component of the equipment,  
3 including repair and replacement parts. The term does not include  
4 equipment in offices, lunchrooms, restrooms, and other like space,  
5 within a warehouse or grain elevator, or equipment used for  
6 nonwarehousing purposes. "Material-handling equipment" includes but is  
7 not limited to: Conveyers, carousels, lifts, positioners, pick-up-and-  
8 place units, cranes, hoists, mechanical arms, and robots; mechanized  
9 systems, including containers that are an integral part of the system,  
10 whose purpose is to lift or move tangible personal property; and  
11 automated handling, storage, and retrieval systems, including computers  
12 that control them, whose purpose is to lift or move tangible personal  
13 property; and forklifts and other off-the-road vehicles that are used  
14 to lift or move tangible personal property and that cannot be operated  
15 legally on roads and streets. "Racking equipment" includes, but is not  
16 limited to, conveying systems, chutes, shelves, racks, bins, drawers,  
17 pallets, and other containers and storage devices that form a necessary  
18 part of the storage system;

19 (h) "Person" has the meaning given in RCW 82.04.030;

20 (i) "Retailer" means a person who makes "sales at retail" as  
21 defined in chapter 82.04 RCW of tangible personal property;

22 (j) "Square footage" means the product of the two horizontal  
23 dimensions of each floor of a specific warehouse. The entire footprint  
24 of the warehouse (~~shall~~) must be measured in calculating the square  
25 footage, including space that juts out from the building profile such  
26 as loading docks. "Square footage" does not mean the aggregate of the  
27 square footage of more than one warehouse at a location or the  
28 aggregate of the square footage of warehouses at more than one  
29 location;

30 (k) "Third-party warehouser" means a person taxable under RCW  
31 82.04.280(1)(d);

32 (l) "Warehouse" means an enclosed building or structure in which  
33 finished goods are stored. A warehouse building or structure may have  
34 more than one storage room and more than one floor. Office space,  
35 lunchrooms, restrooms, and other space within the warehouse and  
36 necessary for the operation of the warehouse are considered part of the  
37 warehouse as are loading docks and other such space attached to the  
38 building and used for handling of finished goods. Landscaping and

1 parking lots are not considered part of the warehouse. A storage yard  
2 is not a warehouse, nor is a building in which manufacturing takes  
3 place; and

4 (m) "Wholesaler" means a person who makes "sales at wholesale" as  
5 defined in chapter 82.04 RCW of tangible personal property, but  
6 "wholesaler" does not include a person who makes sales exempt under RCW  
7 82.04.330.

8 (3)(a) A person claiming an exemption from state tax in the form of  
9 a remittance under this section must pay the tax imposed by RCW  
10 82.08.020. The buyer may then apply to the department for remittance  
11 of all or part of the tax paid under RCW 82.08.020. For grain  
12 elevators with bushel capacity of one million but less than two  
13 million, the remittance is equal to fifty percent of the amount of tax  
14 paid. For warehouses with square footage of two hundred thousand or  
15 more and for grain elevators with bushel capacity of two million or  
16 more, the remittance is equal to one hundred percent of the amount of  
17 tax paid for qualifying construction, materials, service, and labor,  
18 and fifty percent of the amount of tax paid for qualifying material-  
19 handling equipment and racking equipment, and labor and services  
20 rendered in respect to installing, repairing, cleaning, altering, or  
21 improving the equipment.

22 (b) The department (~~shall~~) must determine eligibility under this  
23 section based on information provided by the buyer and through audit  
24 and other administrative records. The buyer (~~shall~~) must on a  
25 quarterly basis submit an information sheet, in a form and manner as  
26 required by the department by rule, specifying the amount of exempted  
27 tax claimed and the qualifying purchases or acquisitions for which the  
28 exemption is claimed. The buyer (~~shall~~) must retain, in adequate  
29 detail to enable the department to determine whether the equipment or  
30 construction meets the criteria under this section: Invoices; proof of  
31 tax paid; documents describing the material-handling equipment and  
32 racking equipment; location and size of warehouses and grain elevators;  
33 and construction invoices and documents.

34 (c) The department (~~shall~~) must on a quarterly basis remit  
35 exempted amounts to qualifying persons who submitted applications  
36 during the previous quarter.

37 (4) Warehouses, grain elevators, and material-handling equipment  
38 and racking equipment for which an exemption, credit, or deferral has



1 been or is being received under chapter 82.60, 82.62, or 82.63 RCW or  
2 RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance  
3 under this section. Warehouses and grain elevators upon which  
4 construction was initiated before May 20, 1997, are not eligible for a  
5 remittance under this section.

6 (5) The lessor or owner of a warehouse or grain elevator is not  
7 eligible for a remittance under this section unless the underlying  
8 ownership of the warehouse or grain elevator and the material-handling  
9 equipment and racking equipment vests exclusively in the same person,  
10 or unless the lessor by written contract agrees to pass the economic  
11 benefit of the remittance to the lessee in the form of reduced rent  
12 payments.

13 **Sec. 24.** RCW 82.14.430 and 2011 c 171 s 123 are each amended to  
14 read as follows:

15 (1) If approved by the majority of the voters within its boundaries  
16 voting on the ballot proposition, a regional transportation investment  
17 district may impose a sales and use tax of up to 0.1 percent of the  
18 selling price or value of the article used in the case of a use tax.  
19 The tax authorized by this section is in addition to the tax authorized  
20 by RCW 82.14.030 and must be collected from those persons who are  
21 taxable by the state under chapters 82.08 and 82.12 RCW upon the  
22 occurrence of any taxable event within the taxing district. Motor  
23 vehicles are exempt from the sales and use tax imposed under this  
24 subsection.

25 (2) If approved by the majority of the voters within its boundaries  
26 voting on the ballot proposition, a regional transportation investment  
27 district may impose a tax on the use of a motor vehicle within a  
28 regional transportation investment district. The tax applies to those  
29 persons who reside within the regional transportation investment  
30 district. The rate of the tax may not exceed 0.1 percent of the value  
31 of the motor vehicle. The tax authorized by this subsection is in  
32 addition to the tax authorized under RCW 82.14.030 and must be imposed  
33 and collected at the time a taxable event under RCW 82.08.020(1) or  
34 82.12.020 takes place. All revenue received under this subsection must  
35 be deposited in the local sales and use tax account and distributed to  
36 the regional transportation investment district according to RCW

1 82.14.050. The following provisions apply to the use tax in this  
2 subsection:

3 (a) Where persons are taxable under chapter 82.08 RCW, the seller  
4 (~~shall~~) must collect the use tax from the buyer using the collection  
5 provisions of RCW 82.08.050.

6 (b) Where persons are taxable under chapter 82.12 RCW, the use tax  
7 must be collected using the provisions of RCW 82.12.045.

8 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but  
9 does not include:

10 (i) Farm tractors or farm vehicles as defined in RCW 46.04.180 and  
11 46.04.181, unless the farm tractor or farm vehicle is for use in the  
12 production of marijuana;

13 (ii) Off-road vehicles as defined in RCW 46.04.365((τ));

14 (iii) Nonhighway vehicles as defined in RCW 46.09.310((τ)); and

15 (iv) Snowmobiles as defined in RCW 46.04.546.

16 (d) "Person" has the meaning given in RCW 82.04.030.

17 (e) The value of a motor vehicle must be determined under RCW  
18 82.12.010.

19 (f) Except as specifically stated in this subsection (2), chapters  
20 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax  
21 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW  
22 applies fully to the use tax.

23 (3) In addition to fulfilling the notice requirements under RCW  
24 82.14.055(1), and unless waived by the department, a regional  
25 transportation investment district (~~shall~~) must provide the  
26 department of revenue with digital mapping and legal descriptions of  
27 areas in which the tax will be collected.

28 **Sec. 25.** RCW 82.16.050 and 2007 c 330 s 1 are each amended to read  
29 as follows:

30 In computing tax there may be deducted from the gross income the  
31 following items:

32 (1) Amounts derived by municipally owned or operated public service  
33 businesses, directly from taxes levied for the support or maintenance  
34 thereof. This subsection may not be construed to exempt service  
35 charges which are spread on the property tax rolls and collected as  
36 taxes;

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

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

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

14 (5) The amount of bad debts, as that term is used in 26 U.S.C. Sec.  
15 166, as amended or renumbered as of January 1, 2003, on which tax was  
16 previously paid under this chapter;

17 (6) Amounts derived from business which the state is prohibited  
18 from taxing under the Constitution of this state or the Constitution or  
19 laws of the United States;

20 (7) Amounts derived from the distribution of water through an  
21 irrigation system, for irrigation purposes other than the irrigation of  
22 marijuana as defined under RCW 69.50.101;

23 (8) Amounts derived from the transportation of commodities from  
24 points of origin in this state to final destination outside this state,  
25 or from points of origin outside this state to final destination in  
26 this state, with respect to which the carrier grants to the shipper the  
27 privilege of stopping the shipment in transit at some point in this  
28 state for the purpose of storing, manufacturing, milling, or other  
29 processing, and thereafter forwards the same commodity, or its  
30 equivalent, in the same or converted form, under a through freight rate  
31 from point of origin to final destination;

32 (9) Amounts derived from the transportation of commodities from  
33 points of origin in the state to an export elevator, wharf, dock or  
34 ship side on tidewater or its navigable tributaries to be forwarded,  
35 without intervening transportation, by vessel, in their original form,  
36 to interstate or foreign destinations. No deduction is allowed under  
37 this subsection when the point of origin and the point of delivery to

1 the export elevator, wharf, dock, or ship side are located within the  
2 corporate limits of the same city or town;

3 (10) Amounts derived from the transportation of agricultural  
4 commodities, not including manufactured substances or articles, from  
5 points of origin in the state to interim storage facilities in this  
6 state for transshipment, without intervening transportation, to an  
7 export elevator, wharf, dock, or ship side on tidewater or its  
8 navigable tributaries to be forwarded, without intervening  
9 transportation, by vessel, in their original form, to interstate or  
10 foreign destinations. If agricultural commodities are transshipped  
11 from interim storage facilities in this state to storage facilities at  
12 a port on tidewater or its navigable tributaries, the same agricultural  
13 commodity dealer must operate both the interim storage facilities and  
14 the storage facilities at the port.

15 (a) The deduction under this subsection is available only when the  
16 person claiming the deduction obtains a certificate from the  
17 agricultural commodity dealer operating the interim storage facilities,  
18 in a form and manner prescribed by the department, certifying that:

19 (i) More than ninety-six percent of all of the type of agricultural  
20 commodity delivered by the person claiming the deduction under this  
21 subsection and delivered by all other persons to the dealer's interim  
22 storage facilities during the preceding calendar year was shipped by  
23 vessel in original form to interstate or foreign destinations; and

24 (ii) Any of the agricultural commodity that is transshipped to  
25 ports on tidewater or its navigable tributaries will be received at  
26 storage facilities operated by the same agricultural commodity dealer  
27 and will be shipped from such facilities, without intervening  
28 transportation, by vessel, in their original form, to interstate or  
29 foreign destinations.

30 (b) As used in this subsection, "agricultural commodity" has the  
31 same meaning as agricultural product in RCW 82.04.213;

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

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

1 (13) 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 (14) 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, and urban public  
8 transportation systems, as defined in RCW 47.04.082. Public  
9 transportation agencies (~~shall~~) must spend an amount equal to the  
10 reduction in tax provided by this tax deduction solely to adjust routes  
11 to improve access for citizens using food banks and senior citizen  
12 services or to extend or add new routes to assist low-income citizens  
13 and seniors.

14 **Sec. 26.** RCW 82.29A.020 and 2012 2nd sp.s. c 6 s 501 are each  
15 amended to read as follows:

16 The definitions in this section apply throughout this chapter  
17 unless the context requires otherwise.

18 (1) "Leasehold interest" means an interest in publicly owned real  
19 or personal property which exists by virtue of any lease, permit,  
20 license, or any other agreement, written or verbal, between the public  
21 owner of the property and a person who would not be exempt from  
22 property taxes if that person owned the property in fee, granting  
23 possession and use, to a degree less than fee simple ownership.  
24 However, no interest in personal property (excluding land or buildings)  
25 which is owned by the United States, whether or not as trustee, or by  
26 any foreign government may constitute a leasehold interest hereunder  
27 when the right to use such property is granted pursuant to a contract  
28 solely for the manufacture or production of articles for sale to the  
29 United States or any foreign government. The term "leasehold interest"  
30 includes the rights of use or occupancy by others of property which is  
31 owned in fee or held in trust by a public corporation, commission, or  
32 authority created under RCW 35.21.730 or 35.21.660 if the property is  
33 listed on or is within a district listed on any federal or state  
34 register of historical sites. The term "leasehold interest" does not  
35 include road or utility easements, rights of access, occupancy, or use  
36 granted solely for the purpose of removing materials or products  
37 purchased from a public owner or the lessee of a public owner, or

1 rights of access, occupancy, or use granted solely for the purpose of  
2 natural energy resource exploration. "Leasehold interest" does not  
3 include the preferential use of publicly owned cargo cranes and docks  
4 and associated areas used in the loading and discharging of cargo  
5 located at a port district marine facility. "Preferential use" means  
6 that publicly owned real or personal property is used by a private  
7 party under a written agreement with the public owner, but the public  
8 owner or any third party maintains a right to use the property when not  
9 being used by the private party.

10 (2)(a) "Taxable rent" means contract rent as defined in (c) of this  
11 subsection in all cases where the lease or agreement has been  
12 established or renegotiated through competitive bidding, or negotiated  
13 or renegotiated in accordance with statutory requirements regarding the  
14 rent payable, or negotiated or renegotiated under circumstances,  
15 established by public record, clearly showing that the contract rent  
16 was the maximum attainable by the lessor. However, after January 1,  
17 1986, with respect to any lease which has been in effect for ten years  
18 or more without renegotiation, taxable rent may be established by  
19 procedures set forth in (g) of this subsection. All other leasehold  
20 interests are subject to the determination of taxable rent under the  
21 terms of (g) of this subsection.

22 (b) For purposes of determining leasehold excise tax on any lands  
23 on the Hanford reservation subleased to a private or public entity by  
24 the department of ecology, taxable rent includes only the annual cash  
25 rental payment made by such entity to the department of ecology as  
26 specifically referred to as rent in the sublease agreement between the  
27 parties and does not include any other fees, assessments, or charges  
28 imposed on or collected by such entity irrespective of whether the  
29 private or public entity pays or collects such other fees, assessments,  
30 or charges as specified in the sublease agreement.

31 (c) "Contract rent" means the amount of consideration due as  
32 payment for a leasehold interest, including: The total of cash  
33 payments made to the lessor or to another party for the benefit of the  
34 lessor according to the requirements of the lease or agreement,  
35 including any rents paid by a sublessee; expenditures for the  
36 protection of the lessor's interest when required by the terms of the  
37 lease or agreement; and expenditures for improvements to the property  
38 to the extent that such improvements become the property of the lessor.

1 Where the consideration conveyed for the leasehold interest is made in  
2 combination with payment for concession or other rights granted by the  
3 lessor, only that portion of such payment which represents  
4 consideration for the leasehold interest is part of contract rent.

5 (d) "Contract rent" does not include: (i) Expenditures made by the  
6 lessee, which under the terms of the lease or agreement, are to be  
7 reimbursed by the lessor to the lessee or expenditures for improvements  
8 and protection made pursuant to a lease or an agreement which requires  
9 that the use of the improved property be open to the general public and  
10 that no profit will inure to the lessee from the lease; (ii)  
11 expenditures made by the lessee for the replacement or repair of  
12 facilities due to fire or other casualty including payments for  
13 insurance to provide reimbursement for losses or payments to a public  
14 or private entity for protection of such property from damage or loss  
15 or for alterations or additions made necessary by an action of  
16 government taken after the date of the execution of the lease or  
17 agreement; (iii) improvements added to publicly owned property by a  
18 sublessee under an agreement executed prior to January 1, 1976, which  
19 have been taxed as personal property of the sublessee prior to January  
20 1, 1976, or improvements made by a sublessee of the same lessee under  
21 a similar agreement executed prior to January 1, 1976, and such  
22 improvements are taxable to the sublessee as personal property; (iv)  
23 improvements added to publicly owned property if such improvements are  
24 being taxed as personal property to any person.

25 (e) Any prepaid contract rent is considered to have been paid in  
26 the year due and not in the year actually paid with respect to  
27 prepayment for a period of more than one year. Expenditures for  
28 improvements with a useful life of more than one year which are  
29 included as part of contract rent must be treated as prepaid contract  
30 rent and prorated over the useful life of the improvement or the  
31 remaining term of the lease or agreement if the useful life is in  
32 excess of the remaining term of the lease or agreement. Rent prepaid  
33 prior to January 1, 1976, must be prorated from the date of prepayment.

34 (f) With respect to a "product lease", the value is that value  
35 determined at the time of sale under terms of the lease.

36 (g) If it is determined by the department of revenue, upon  
37 examination of a lessee's accounts or those of a lessor of publicly  
38 owned property, that a lessee is occupying or using publicly owned

1 property in such a manner as to create a leasehold interest and that  
2 such leasehold interest has not been established through competitive  
3 bidding, or negotiated in accordance with statutory requirements  
4 regarding the rent payable, or negotiated under circumstances,  
5 established by public record, clearly showing that the contract rent  
6 was the maximum attainable by the lessor, the department may establish  
7 a taxable rent computation for use in determining the tax payable under  
8 authority granted in this chapter based upon the following criteria:  
9 (i) Consideration must be given to rental being paid to other lessors  
10 by lessees of similar property for similar purposes over similar  
11 periods of time; (ii) consideration must be given to what would be  
12 considered a fair rate of return on the market value of the property  
13 leased less reasonable deductions for any restrictions on use, special  
14 operating requirements or provisions for concurrent use by the lessor,  
15 another person or the general public.

16 (3) "Product lease" as used in this chapter means a lease of  
17 property for use in the production of agricultural or marine products,  
18 not including the production of marijuana as defined in RCW 69.50.101,  
19 to the extent that such lease provides for the contract rent to be paid  
20 by the delivery of a stated percentage of the production of such  
21 agricultural or marine products to the credit of the lessor or the  
22 payment to the lessor of a stated percentage of the proceeds from the  
23 sale of such products.

24 (4) "Renegotiated" means a change in the lease agreement which  
25 changes the agreed time of possession, restrictions on use, the rate of  
26 the cash rental or of any other consideration payable by the lessee to  
27 or for the benefit of the lessor, other than any such change required  
28 by the terms of the lease or agreement. In addition "renegotiated"  
29 means a continuation of possession by the lessee beyond the date when,  
30 under the terms of the lease agreement, the lessee had the right to  
31 vacate the premises without any further liability to the lessor.

32 (5) "City" means any city or town.

33 (6) "Products" includes natural resource products such as cut or  
34 picked evergreen foliage, Cascara bark, wild edible mushrooms, native  
35 ornamental trees and shrubs, ore and minerals, natural gas, geothermal  
36 water and steam, and forage removed through the grazing of livestock.



1        NEW SECTION.    **Sec. 27.**    A new section is added to chapter 84.34 RCW  
2 to read as follows:

3        The provisions of this chapter do not apply with respect to land  
4 used in the growing, raising, or producing of marijuana, useable  
5 marijuana, or marijuana-infused products as those terms are defined  
6 under RCW 69.50.101.

7        **Sec. 28.**    RCW 84.36.630 and 2003 c 302 s 7 are each amended to read  
8 as follows:

9        (1) All machinery and equipment owned by a farmer that is personal  
10 property is exempt from property taxes levied for any state purpose if  
11 it is used exclusively in growing and producing agricultural products  
12 during the calendar year for which the claim for exemption is made.

13        (2) "Farmer" (~~has~~) and "agricultural product" have the same  
14 meaning as defined in RCW 82.04.213.

15        (3) A claim for exemption under this section (~~shall~~) must be  
16 filed with the county assessor together with the statement required  
17 under RCW 84.40.190, for exemption from taxes payable the following  
18 year. The claim (~~shall~~) must be made solely upon forms as prescribed  
19 and furnished by the department of revenue.

20        **Sec. 29.**    RCW 84.40.030 and 2007 c 301 s 2 are each amended to read  
21 as follows:

22        (1) All property (~~shall~~) must be valued at one hundred percent of  
23 its true and fair value in money and assessed on the same basis unless  
24 specifically provided otherwise by law.

25        (2) Taxable leasehold estates (~~shall~~) must be valued at such  
26 price as they would bring at a fair, voluntary sale for cash without  
27 any deductions for any indebtedness owed including rentals to be paid.

28        (3) The true and fair value of real property for taxation purposes  
29 (including property upon which there is a coal or other mine, or stone  
30 or other quarry) (~~shall~~) must be based upon the following criteria:

31        (~~(1)~~) (a) Any sales of the property being appraised or similar  
32 properties with respect to sales made within the past five years. The  
33 appraisal (~~shall~~) must be consistent with the comprehensive land use  
34 plan, development regulations under chapter 36.70A RCW, zoning, and any  
35 other governmental policies or practices in effect at the time of  
36 appraisal that affect the use of property, as well as physical and

1 environmental influences. An assessment may not be determined by a  
2 method that assumes a land usage or highest and best use not permitted,  
3 for that property being appraised, under existing zoning or land use  
4 planning ordinances or statutes or other government restrictions. The  
5 appraisal (~~shall~~) must also take into account: (~~(a)~~) (i) In the  
6 use of sales by real estate contract as similar sales, the extent, if  
7 any, to which the stated selling price has been increased by reason of  
8 the down payment, interest rate, or other financing terms; and (~~(b)~~)  
9 (ii) the extent to which the sale of a similar property actually  
10 represents the general effective market demand for property of such  
11 type, in the geographical area in which such property is located.  
12 Sales involving deed releases or similar seller-developer financing  
13 arrangements (~~shall~~) may not be used as sales of similar property.

14 (~~(2)~~) (b) In addition to sales as defined in subsection (~~(1)~~)  
15 (3)(a) of this section, consideration may be given to cost, cost less  
16 depreciation, reconstruction cost less depreciation, or capitalization  
17 of income that would be derived from prudent use of the property, as  
18 limited by law or ordinance. Consideration should be given to any  
19 agreement, between an owner of rental housing and any government  
20 agency, that restricts rental income, appreciation, and liquidity; and  
21 to the impact of government restrictions on operating expenses and on  
22 ownership rights in general of such housing. In the case of property  
23 of a complex nature, or being used under terms of a franchise from a  
24 public agency, or operating as a public utility, or property not having  
25 a record of sale within five years and not having a significant number  
26 of sales of similar property in the general area, the provisions of  
27 this subsection (~~shall~~) must be the dominant factors in valuation.  
28 When provisions of this subsection are relied upon for establishing  
29 values the property owner (~~shall~~) must be advised upon request of the  
30 factors used in arriving at such value.

31 (~~(3)~~) (c) In valuing any tract or parcel of real property, the  
32 true and fair value of the land, exclusive of structures thereon  
33 (~~shall~~) must be determined; also the true and fair value of  
34 structures thereon, but the valuation (~~shall~~) may not exceed the true  
35 and fair value of the total property as it exists. In valuing  
36 agricultural land, growing crops (~~shall~~) must be excluded. For  
37 purposes of this subsection (3)(c), "growing crops" does not include  
38 marijuana as defined under RCW 69.50.101.

1           **Sec. 30.** RCW 82.02.010 and 2011 c 298 s 37 are each amended to  
2 read as follows:

3           For the purpose of this title, unless the context clearly requires  
4 otherwise:

5           (1) "Department" means the department of revenue of the state of  
6 Washington;

7           (2) "Director" means the director of the department of revenue of  
8 the state of Washington;

9           (3) "Marijuana," "marijuana-infused products," and "useable  
10 marijuana" have the same meanings as provided in RCW 69.50.101;

11           (4) "Taxpayer" includes any individual, group of individuals,  
12 corporation, or association liable for any tax or the collection of any  
13 tax hereunder, or who engages in any business or performs any act for  
14 which a tax is imposed by this title. "Taxpayer" also includes any  
15 person liable for any fee or other charge collected by the department  
16 under any provision of law, including registration assessments and  
17 delinquency fees imposed under RCW 59.30.050; and

18           (~~(4)~~) (5) Words in the singular number include the plural and the  
19 plural include the singular. Words in one gender include all other  
20 genders.

21           **Sec. 31.** RCW 15.13.270 and 2007 c 335 s 4 are each amended to read  
22 as follows:

23           (1) The provisions of this chapter relating to nursery dealer  
24 licensing do not apply to: (~~(1)~~) (a) Persons making casual or  
25 isolated sales that do not exceed one hundred dollars annually; (~~(2)~~)  
26 (b) any garden club, conservation district, or charitable nonprofit  
27 association conducting not more than three sales per year for not more  
28 than four consecutive days each of horticultural plants which are grown  
29 by or donated to its members; (~~(3)~~) (c) educational organizations  
30 associated with private or public secondary schools; and (d) the  
31 production of marijuana and persons who are licensed as marijuana  
32 producers under RCW 69.50.325 with respect to the operations under such  
33 license. For the purposes of this subsection, the terms "marijuana"  
34 and "marijuana producer" have the same meanings as provided in RCW  
35 69.50.101. However, such a club, conservation district, association,  
36 or organization (~~shall~~) must apply to the director for a permit to  
37 conduct such sales.

1       (2) All horticultural plants sold under such a permit (~~shall~~)  
2 must be in compliance with the provisions of this chapter.

3       **Sec. 32.** RCW 15.13.270 and 2000 c 144 s 5 are each amended to read  
4 as follows:

5       (1) The provisions of this chapter relating to licensing do not  
6 apply to: (~~(1)~~) (a) Persons making casual or isolated sales that do  
7 not exceed one hundred dollars annually; (~~(2)~~) (b) any garden club,  
8 conservation district, or charitable nonprofit association conducting  
9 not more than three sales per year for not more than four consecutive  
10 days each of horticultural plants which are grown by or donated to its  
11 members; (~~(3)~~) (c) educational organizations associated with private  
12 or public secondary schools; and (d) the production of marijuana and  
13 persons who are licensed as marijuana producers under RCW 69.50.325  
14 with respect to the operations under such license. For the purposes of  
15 this subsection, the terms "marijuana" and "marijuana producer" have  
16 the same meanings as provided in RCW 69.50.101. However, such a club,  
17 conservation district, association, or organization (~~shall~~) must  
18 apply to the director for a permit to conduct such sales.

19       (2) All horticultural plants sold under such a permit (~~shall~~)  
20 must be in compliance with the provisions of this chapter.

21       **Sec. 33.** RCW 15.17.020 and 1998 c 154 s 2 are each amended to read  
22 as follows:

23       For the purpose of this chapter:

24       (1) "Agent" means broker, commission merchant, solicitor, seller,  
25 or consignor, and any other person acting upon the actual or implied  
26 authority of another.

27       (2) "Certification" means, but is not limited to, the issuance by  
28 the director of an inspection certificate or other official document  
29 stating the grade, classification, and/or condition of any fruits or  
30 vegetables, and/or if the fruits or vegetables are free of plant pests  
31 and/or other defects.

32       (3) "Combination grade" means two or more grades packed together as  
33 one, except cull grades, with a minimum percent of the product of the  
34 higher grade, as established by rule.

35       (4) "Compliance agreement" means an agreement entered into between

1 the department and a shipper or packer, that authorizes the shipper or  
2 packer to issue certificates of compliance for fruits and vegetables.

3 (5) "Container" means any container or subcontainer used to  
4 prepackage any fruits or vegetables. This does not include a container  
5 used by a retailer to package fruits or vegetables sold from a bulk  
6 display to a consumer.

7 (6) "Deceptive arrangement or display" means any bulk lot or load,  
8 arrangement, or display of fruits or vegetables which has in the  
9 exposed surface, fruits or vegetables which are so superior in quality,  
10 size, condition, or any other respect to those which are concealed, or  
11 the unexposed portion, as to materially misrepresent any part of the  
12 bulk lot or load, arrangement, or display.

13 (7) "Deceptive pack" means the pack of any container which has in  
14 the outer layer or any exposed surface fruits or vegetables which are  
15 in quality, size, condition, or any other respect so superior to those  
16 in the interior of the container in the unexposed portion as to  
17 materially misrepresent the contents. Such pack is deceptive when the  
18 outer or exposed surface is composed of fruits or vegetables whose size  
19 is not an accurate representation of the variation of the size of the  
20 fruits or vegetables in the entire container, even though the fruits or  
21 vegetables in the container are virtually uniform in size or comply  
22 with the specific standards adopted under this chapter.

23 (8) "Department" means the department of agriculture of the state  
24 of Washington.

25 (9) "Director" means the director of the department or his or her  
26 duly authorized representative.

27 (10) "District manager" means a person representing the director in  
28 charge of overall operation of a fruit and vegetable inspection  
29 district established under RCW 15.17.230.

30 (11) "Facility" means, but is not limited to, the premises where  
31 fruits and vegetables are grown, stored, handled, or delivered for sale  
32 or transportation, and all vehicles and equipment, whether aerial or  
33 surface, used to transport fruits and vegetables.

34 (12) "Fruits and vegetables" means any unprocessed fruits or  
35 vegetables, but does not include marijuana as defined in RCW 69.50.101.

36 (13) "Handler" means any person engaged in the business of  
37 handling, selling, processing, storing, shipping, or distributing

1 fruits or vegetables that he or she has purchased or acquired from a  
2 producer.

3 (14) "Inspection" means, but is not limited to, the inspection by  
4 the director of any fruits or vegetables at any time prior to, during,  
5 or subsequent to harvest.

6 (15) "Mislabel" means the placing or presence of any false or  
7 misleading statement, design, or device upon any wrapper, container,  
8 container label or lining, or any placard used in connection with and  
9 having reference to fruits or vegetables.

10 (16) "Person" means any individual, firm, partnership, corporation,  
11 company, society, or association, and every officer, agent, or employee  
12 thereof.

13 (17) "Plant pests" means, but is not limited to, any living stage  
14 of any insects, mites, nematodes, slugs, snails, protozoa, or other  
15 invertebrate animals, bacteria, fungi, viruses, or any organisms  
16 similar to or allied with any of the foregoing, or any infectious  
17 substance, which can directly or indirectly injure or cause disease or  
18 damage in any plant or parts thereof, or any processed, manufactured,  
19 or other products of plants.

20 (18) "Sell" means to sell, offer for sale, hold for sale, or ship  
21 or transport in bulk or in containers.

22 (19) "Standards" means grades, classifications, and other  
23 inspection criteria for fruits and vegetables.

24 **Sec. 34.** RCW 15.49.061 and 1989 c 354 s 76 are each amended to  
25 read as follows:

26 (1) The provisions of this chapter do not apply to marijuana seed.  
27 For the purposes of this subsection, "marijuana" has the same meaning  
28 as defined in RCW 69.50.101.

29 (2) The provisions of RCW 15.49.011 through 15.49.051 do not apply:

30 (a) To seed or grain not intended for sowing purposes;

31 (b) To seed in storage by, or being transported or consigned to a  
32 conditioning establishment for conditioning if the invoice or labeling  
33 accompanying the shipment of such seed bears the statement "seeds for  
34 conditioning" and if any labeling or other representation that may be  
35 made with respect to the unconditioned seed is subject to this chapter;

36 (c) To any carrier with respect to any seed transported or

1 delivered for transportation in the ordinary course of its business as  
2 a carrier if the carrier is not engaged in producing, conditioning, or  
3 marketing seeds subject to this chapter; or

4 (d) Seed stored or transported by the grower of the seed.

5 ~~((+2))~~ (3) No person may be subject to the penalties of this  
6 chapter for having sold or offered for sale seeds subject to this  
7 chapter that were incorrectly labeled or represented as to kind,  
8 species, variety, or type, which seeds cannot be identified by  
9 examination thereof, unless he or she has failed to obtain an invoice,  
10 genuine grower's declaration, or other labeling information and to take  
11 such other precautions as may be reasonable to ensure the identity to  
12 be that stated. A genuine grower's declaration of variety shall affirm  
13 that the grower holds records of proof concerning parent seed, such as  
14 invoice and labels.

15 **Sec. 35.** RCW 20.01.030 and 2013 c 23 s 38 are each amended to read  
16 as follows:

17 This chapter does not apply to:

18 (1) Any cooperative marketing associations or federations  
19 incorporated under, or whose articles of incorporation and bylaws are  
20 equivalent to, the requirements of chapter 23.86 RCW, except as to that  
21 portion of the activities of the association or federation that involve  
22 the handling or dealing in the agricultural products of nonmembers of  
23 the organization: PROVIDED, That the associations or federations may  
24 purchase up to fifteen percent of their gross from nonmembers for the  
25 purpose of filling orders: PROVIDED FURTHER, That if the cooperative  
26 or association acts as a processor as defined in RCW 20.01.500(2) and  
27 markets the processed agricultural crops on behalf of the grower or its  
28 own behalf, the association or federation is subject to the provisions  
29 of RCW 20.01.500 through 20.01.560 and the license provision of this  
30 chapter excluding bonding provisions: PROVIDED FURTHER, That none of  
31 the foregoing exemptions in this subsection apply to any such  
32 cooperative or federation dealing in or handling grain in any manner,  
33 and not licensed under the provisions of chapter 22.09 RCW;

34 (2) Any person who sells exclusively his or her own agricultural  
35 products as the producer thereof;

36 (3) Any public livestock market operating under a bond required by  
37 law or a bond required by the United States to secure the performance

1 of the public livestock market's obligation. However, any such market  
2 operating as a livestock dealer or order buyer, or both, is subject to  
3 all provisions of this chapter except for the payment of the license  
4 fee required in RCW 20.01.040;

5 (4) Any retail merchant having a bona fide fixed or permanent place  
6 of business in this state, but only for the retail merchant's retail  
7 business conducted at such fixed or established place of business;

8 (5) Any person buying farm products for his or her own use or  
9 consumption;

10 (6) Any warehouse operator or grain dealer licensed under the state  
11 grain warehouse act, chapter 22.09 RCW, with respect to his or her  
12 handling of any agricultural product as defined under that chapter;

13 (7) Any nursery dealer who is required to be licensed under the  
14 horticultural laws of the state with respect to his or her operations  
15 as such licensee;

16 (8) Any person licensed under the now existing dairy laws of the  
17 state with respect to his or her operations as such licensee;

18 (9) Any producer who purchases less than fifteen percent of his or  
19 her volume to complete orders;

20 (10) Any person, association, or corporation regulated under  
21 chapter 67.16 RCW and the rules adopted thereunder while performing  
22 acts regulated by that chapter and the rules adopted thereunder;

23 (11) Any domestic winery, as defined in RCW 66.04.010, licensed  
24 under Title 66 RCW, with respect to its transactions involving  
25 agricultural products used by the domestic winery in making wine;

26 (12) Any person licensed as a marijuana producer or processor under  
27 RCW 69.50.325 with respect to the operations under such license. The  
28 definitions in RCW 69.50.101 apply to this subsection (12).

29 NEW SECTION. Sec. 36. Section 3 of this act expires July 1, 2015.

30 NEW SECTION. Sec. 37. Section 4 of this act takes effect July 1,  
31 2015.

32 NEW SECTION. Sec. 38. Section 5 of this act expires July 1, 2015,  
33 subject to the contingency stated in section 2, chapter . . . (ESSB  
34 5952), Laws of 2013 3rd sp. sess.



1        NEW SECTION.    **Sec. 39.**    Section 6 of this act takes effect July 1,  
2    2015, subject to the contingency stated in section 2, chapter . . .  
3    (ESSB 5952), Laws of 2013 3rd sp. sess.

4        NEW SECTION.    **Sec. 40.**    Section 10 of this act expires December 31,  
5    2020.

6        NEW SECTION.    **Sec. 41.**    Section 31 of this act expires July 1,  
7    2020.

8        NEW SECTION.    **Sec. 42.**    Section 32 of this act takes effect July 1,  
9    2020.

Passed by the Senate March 4, 2014.

Passed by the House March 12, 2014.

Approved by the Governor March 28, 2014.

Filed in Office of Secretary of State March 31, 2014.