
SENATE BILL 5427

State of Washington 64th Legislature 2015 Regular Session

By Senators Ericksen, Baumgartner, Angel, Brown, Bailey, Dandel, Padden, and Benton

Read first time 01/21/15. Referred to Committee on Transportation.

1 AN ACT Relating to a sales and use tax exemption provided to the
2 state on highway-related construction when the funds used were
3 obtained from indebtedness; adding a new section to chapter 82.08
4 RCW; adding a new section to chapter 82.12 RCW; and creating a new
5 section.

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

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

9 (1) The tax levied by RCW 82.08.020 does not apply to purchases,
10 or portions of purchases, for highway construction, maintenance, or
11 improvement of facilities owned by the state, when the purchase is
12 made with moneys acquired by the department of transportation from
13 indebtedness.

14 (2) The definitions in this subsection apply throughout this
15 section unless the context clearly requires otherwise.

16 (a) "Indebtedness" means all debt incurred by the state for a
17 term greater than one year and does not include debt to other
18 governments or governmental funds.

19 (b) "Portions of purchases" means those portions of a purchase
20 that were made from indebtedness when the total purchase was made
21 from multiple fund sources.

1 (3) The exemption under this section is available only when the
2 buyer provides the seller with an exemption certificate in a form and
3 manner prescribed by the department. The seller must retain a copy of
4 the certificate for the seller's files.

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

7 (1) The provisions of this chapter do not apply with respect to
8 the use of any items used for highway construction, maintenance, or
9 improvement of a facility owned by the state, when the items were
10 purchased with moneys acquired by the state from indebtedness.

11 (2) When the item used was acquired by purchase through multiple
12 fund sources, only the amount that was purchased by moneys acquired
13 from indebtedness qualify for the exemption under this section.

14 (3) For the purposes of this section, the definitions in section
15 1 of this act apply.

16 NEW SECTION. **Sec. 3.** The provisions of this act do not
17 constitute a tax preference as defined in RCW 82.32.805 and are not
18 subject to the provisions of RCW 82.32.805 or 82.32.808.

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