

**HB 2269-S - DIGEST**

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Invests in education and essential public services by modifying and improving the fairness of Washington's tax system as follows: (1) Eliminates the sales and use tax exemption for bottled water;

(2) Establishes a refund requirement for the nonresident sales and use tax exemption;

(3) Repeals the preferential business and occupation tax rate for sellers of prescription drugs;

(4) Narrows the use tax exemption for extracted fuel;

(5) Repeals the preferential business and occupation tax rate for royalty income;

(6) Clarifies nexus for excise tax purposes;

(7) Eliminates the real estate excise tax exemption on certain transfers that occur in foreclosures;

(8) Increases penalties for late payment of tax returns; and

(9) Requires local governments that issue building permits to supply contractor information to the department of revenue.

Requires the department of revenue to estimate the increase in state general fund revenues from the changes made in this act for the current and prior calendar quarters and notify the state treasurer of the increase.

Requires the state treasurer to transfer that amount from the general fund to the education legacy trust account.

Makes appropriations.