H-4634.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 2931**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 66th Legislature 2020 Regular Session**

**By** Representative Tharinger

AN ACT Relating to providing a sales and use tax exemption for labor and services rendered related to and tangible personal property incorporated in a qualified community multipurpose arts and events facility; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; creating new sections; providing expiration dates; and declaring an emergency.

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

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preference contained in sections 2 and 3, chapter . . ., Laws of 2020 (sections 2 and 3 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to provide tax relief for certain businesses or individuals, pursuant to RCW 82.32.808(2)(e).

(3) It is the legislature's specific public policy objective to foster rural economic development by providing tax relief to large capital projects by nonprofit entities.

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

(1) The tax levied by RCW 82.08.020 does not apply to charges made for labor and services rendered in respect to the construction of a qualified facility, to sales of tangible personal property that will be incorporated as an ingredient or component of such building during the course of constructing, or to labor and services rendered in respect to installing, during the course of constructing, building fixtures not otherwise eligible for an exemption. The exemption is available only when the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(2) No application is necessary for the tax exemption. A person claiming the exemption under this section is subject to all the requirements of chapter 82.32 RCW.

(3) For the purposes of this section, "qualified facility" means a community multipurpose arts and events facility being built in a city with a population of less than twenty-five thousand in a county with a population of less than eighty thousand that contains a national park and national wildlife refuge.

(4) This section expires January 1, 2025.

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

(1) The provisions of this chapter do not apply with respect to the use of tangible personal property that will be incorporated as an ingredient or component of a qualified facility during the course of constructing such facility or to labor and services rendered in respect to installing, during the course of constructing, building fixtures not otherwise eligible for an exemption.

(2) The eligibility requirements, conditions, and definitions in section 2 of this act apply to this section.

(3) No exemption may be taken after the expiration of this section; however, all eligibility criteria and limitations are applicable to any exemptions claimed before that date.

(4) This section expires January 1, 2025.

NEW SECTION. **Sec.**  This act is exempt from the requirements of RCW 82.32.808.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**--- END ---**