S-0345.1

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**SENATE BILL 5337**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senators Takko and Holy

AN ACT Relating to expanding a sales and use tax exemption for personal property sold between political subdivisions to include sales or uses of personal property as a result of a merger or sales or uses of personal property made under contractual consolidations in which the taxpayer that originally paid the sales or use tax continues to benefit from the personal property; amending RCW 82.08.0278 and 82.12.0274; creating a new section; and providing an expiration date.

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

**Sec.**  RCW 82.08.0278 and 1980 c 37 s 44 are each amended to read as follows:

The tax levied by RCW 82.08.020 ((~~shall~~)) does not apply to:

(1) Sales to one political subdivision by another political subdivision directly or indirectly arising out of or resulting from the annexation, merger, or incorporation of any part of the territory of one political subdivision by another; and

(2) Sales to one political subdivision by another political subdivision pursuant to the terms of a contractual consolidation under which the taxpayers that originally paid a sales or use tax continue to benefit from the personal property.

**Sec.**  RCW 82.12.0274 and 1980 c 37 s 72 are each amended to read as follows:

The provisions of this chapter ((~~shall~~)) do not apply in respect to:

(1) The use of the personal property of one political subdivision by another political subdivision directly or indirectly arising out of or resulting from the annexation, merger, or incorporation of any part of the territory of one political subdivision by another; and

(2) The use of the personal property of one political subdivision by another political subdivision pursuant to the terms of a contractual consolidation under which the taxpayers that originally paid a sales or use tax continue to benefit from the personal property.

NEW SECTION. **Sec.**  The provisions of RCW 82.32.808 do not apply to this act.

NEW SECTION. **Sec.**  This act expires January 1, 2030.

**--- END ---**