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**SUBSTITUTE SENATE BILL 5080**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Carlyle, Frockt, Hunt, Saldaña, Wellman, and Wilson, C.)

AN ACT Relating to providing flexibility in the distribution and use of local funds dedicated to facilities used for youth educational programming; and amending RCW 82.32.559 and 82.14.050.

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

**Sec.**  RCW 82.32.559 and 2019 c 347 s 3 are each amended to read as follows:

(1) The state treasurer must deposit the repayment of deferred state sales and use taxes due under RCW 82.32.558 into the general fund.

(2)(a) ((~~Except as~~)) Subject to the requirements provided in (b) of this subsection (2), the state treasurer must deposit ((~~half of the repayment of~~)) deferred local sales and use taxes due under RCW 82.32.558 into the local sales and use tax account created in RCW 82.14.050.

(b) ((~~The state treasurer must deposit the remaining half~~)) Half of the repayment of deferred local sales and use taxes due under RCW 82.32.558 ((~~into the state building construction account~~)) must be distributed to a county where an eligible project under RCW 82.32.558(9)(a)(i) is located for the exclusive purpose of funding the construction or rehabilitation of capital facilities used for youth educational programming related to discovery, experimentation, and critical thinking in the sciences. Funds may also be used for the maintenance and operation of such capital facilities, which may include off-site operations that directly relate to the core mission of curiosity, discovery, experimentation, and critical thinking. The capital facility must be located on the same premises as a qualifying arena.

(3) The state treasurer must deposit any interest assessed and accrued on taxes due pursuant to RCW 82.32.558(4) that is part of any annual repayment as follows:

(a) Interest on state taxes must be deposited into the state general fund.

(b) Interest on local taxes must be deposited into the local sales and use tax account.

(4) In the event that an accelerated repayment schedule is authorized by the department pursuant to RCW 82.32.558(5), the state treasurer must deposit any amount in excess of taxes due pursuant to RCW 82.32.558(4) into the state general fund and into the local sales and use account, with the respective amounts deposited based on the proportionate shares of the state taxes and local taxes due.

**Sec.**  RCW 82.14.050 and 2016 c 191 s 4 are each amended to read as follows:

(1) The counties, cities, and transportation authorities under RCW 82.14.045, public facilities districts under chapters 36.100 and 35.57 RCW, public transportation benefit areas under RCW 82.14.440, regional transportation investment districts, and transportation benefit districts under chapter 36.73 RCW must contract, prior to the effective date of a resolution or ordinance imposing a sales and use tax, the administration and collection to the state department of revenue, which must deduct a percentage amount, as provided by contract, not to exceed two percent of the taxes collected for administration and collection expenses incurred by the department. The remainder of any portion of any tax authorized by this chapter that is collected by the department of revenue must be deposited by the state department of revenue in the local sales and use tax account hereby created in the state treasury. Beginning January 1, 2013, the department of revenue must make deposits in the local sales and use tax account on a monthly basis on the last business day of the month in which distributions required in (a) of this subsection are due. Moneys in the local sales and use tax account may be withdrawn only for:

(a) Distribution to counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts imposing a sales and use tax; and

(b) Making refunds of taxes imposed under the authority of this chapter and RCW 81.104.170 and exempted under RCW 82.08.962, 82.12.962, 82.08.02565, 82.12.02565, 82.08.025661, or 82.12.025661.

(2) All administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be amended, insofar as they are applicable to state sales and use taxes, are applicable to taxes imposed pursuant to this chapter.

(3) Counties, cities, transportation authorities, public facilities districts, and regional transportation investment districts may not conduct independent sales or use tax audits of sellers registered under the streamlined sales tax agreement.

(4) Except as provided in RCW 43.08.190 and subsection (5) of this section, all earnings of investments of balances in the local sales and use tax account must be credited to the local sales and use tax account and distributed to the counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts monthly.

(5) Beginning January 1, 2013, the state treasurer must determine the amount of earnings on investments that would have been credited to the local sales and use tax account if the collections had been deposited in the account over the prior month. When distributions are made under subsection (1)(a) of this section, the state treasurer must transfer this amount from the state general fund to the local sales and use tax account and must distribute such sums to the counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts.

(6) Repayment of deferred local sales and use taxes due under RCW 82.32.558 is subject to the requirements of RCW 82.32.559.

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