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**HOUSE BILL 1460**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Representatives Gregerson, Taylor, Simmons, J. Johnson, Lekanoff, Santos, Slatter, Dolan, Peterson, Callan, Ormsby, Morgan, Bateman, Bergquist, Ramel, Thai, Valdez, Pollet, Lovick, Macri, Chopp, Hackney, Ortiz-Self, Riccelli, Kloba, and Harris-Talley

Read first time 02/02/21. Referred to Committee on Finance.

1 AN ACT Relating to closing the digital divide by establishing  
2 excise taxes on telecommunications services to fund the expansion of  
3 the universal service programs in Washington; amending RCW  
4 43.330.530, 43.330.532, 43.330.534, 43.330.412, and 80.36.690; adding  
5 new sections to chapter 80.36 RCW; adding a new section to chapter  
6 43.330 RCW; adding new chapters to Title 82 RCW; creating a new  
7 section; prescribing penalties; and providing effective dates.

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

9 **PART I**

10 **SENIOR CALL-CHECK SERVICE AND NOTIFICATION PROGRAM**

11 NEW SECTION. **Sec. 1.** A new section is added to chapter 80.36  
12 RCW to read as follows:

13 (1) The department shall establish and administer a senior call-  
14 check service and notification program to eligible participants.

15 (2) The program established under subsection (1) of this section  
16 consists of a telephone call made or received each day at a regularly  
17 scheduled time by the department or the department's designee to the  
18 residence of an eligible participant to verify that the participant  
19 is able to receive notifications and answer the telephone or place a

1 call from the telephone. A senior call-check service and notification  
2 includes:

3 (a) A live telephone call placed by an eligible participant or  
4 received by an eligible participant at a regularly scheduled time  
5 each day;

6 (b) If the eligible participant does not answer or place the  
7 regularly scheduled call and the department designs the program to  
8 require this action, one or more automated or live telephone calls to  
9 the eligible participant;

10 (c) If the eligible participant does not answer a call under (b)  
11 of this subsection, an additional automated or live telephone call to  
12 notify the person of record whose name has been provided to the  
13 department; and

14 (d) A notification to the eligible participant regarding  
15 information that the department has determined to be relevant.

16 (3) The department must ensure the program services under  
17 subsection (2) of this section and program information, including  
18 sign-up and marketing materials, are language accessible.

19 (4) The department may contract with a private vendor or  
20 nonprofit organization to provide the senior call-check service and  
21 notification required under this section.

22 (5) The department may adopt rules as necessary to implement the  
23 program.

24 (6) The definitions in this subsection apply throughout this  
25 section unless the context clearly requires otherwise.

26 (a) "Department" means the department of social and health  
27 services.

28 (b) "Eligible participant" means a resident of the state who is  
29 at least 65 years old.

30 (c) "Person of record" includes a local government agency, or  
31 other person or entity designated by the department, that chooses to  
32 participate in the program.

33 (d) "Program" means the senior call-check service and  
34 notification program established in this section.

35 **PART II**

36 **WASHINGTON LIFELINE PROGRAM**

37 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.36  
38 RCW to read as follows:

1 The definitions in this section apply throughout this section and  
2 sections 3 through 11 of this act unless the context clearly requires  
3 otherwise.

4 (1) "Eligible telecommunications carrier" means a  
5 telecommunications carrier designated by the commission as an  
6 eligible telecommunications carrier.

7 (2) "Line" means an access line, service to an activated wireless  
8 handset, or service to an internet connection used as a substitute  
9 for a traditional telecommunications connection.

10 (3) "Low-income" means households as defined by the commission,  
11 provided that the definition may not exceed the higher of 80 percent  
12 of area median household income or 200 percent of the federal poverty  
13 level, adjusted for household size.

14 (4) "Program" means the Washington lifeline program established  
15 in section 3 of this act.

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 80.36  
17 RCW to read as follows:

18 (1) A Washington lifeline program is established. Subject to the  
19 requirements under this section and sections 4 through section 11 of  
20 this act, the commission shall develop, implement, and administer the  
21 program to provide qualifying low-income customers reduced costs for  
22 eligible voice and broadband services under subsection (2) of this  
23 section.

24 (2) All eligible telecommunications carriers shall offer to all  
25 qualified low-income customers a lifeline adjustment to the  
26 customer's rate for voice and broadband technologies as provided in  
27 47 C.F.R. Sec. 54.401(a) (2016).

28 (3) An eligible telecommunications carrier enrolling a customer  
29 for the lifeline program shall do so as provided under 47 C.F.R. Sec.  
30 54.404(a) and (b) (2020).

31 (4) A customer may not request a lifeline adjustment on more than  
32 one line. An eligible telecommunications carrier shall not apply the  
33 lifeline adjustment unless the eligible telecommunications carrier  
34 has certified under subsection (3) of this section that the customer  
35 is not receiving a lifeline adjustment on another line or from any  
36 other provider.

37 (5) If an eligible telecommunications carrier becomes aware that  
38 a customer is receiving a lifeline adjustment on more than one line  
39 or from more than one provider, the eligible telecommunications

1 carrier shall provide notice and take action to terminate the  
2 lifeline customer's enrollment as provided under section 8 of this  
3 act to ensure that the customer receives a lifeline adjustment on  
4 only one line.

5 NEW SECTION. **Sec. 4.** A new section is added to chapter 80.36  
6 RCW to read as follows:

7 The commission must adopt rules establishing a lifeline base rate  
8 under the program. The commission may consider the following methods  
9 for determining the base rate under this section:

10 (1) Summing all relevant charges and fees an eligible  
11 telecommunications carrier is offering for local service on a stand-  
12 alone basis;

13 (2) Establishing a \$25 base rate for eligible telecommunications  
14 carriers that do not offer local service on a stand-alone basis, and  
15 only offers it as part of a service package; or

16 (3) By assessing the particular facts and circumstances  
17 concerning an eligible telecommunications carrier's local service or  
18 internet access charges.

19 NEW SECTION. **Sec. 5.** A new section is added to chapter 80.36  
20 RCW to read as follows:

21 (1) Except as provided in subsection (2) of this section and  
22 section 6 of this act:

23 (a) If the lifeline base rate is \$25 or less, the lifeline  
24 adjustment is \$10.

25 (b) If the lifeline base rate is greater than \$25, the lifeline  
26 adjustment is the lesser of the following:

27 (i) The amount necessary to reduce the lifeline monthly rate to  
28 \$15;

29 (ii) The maximum reimbursement available under 47 C.F.R. Sec.  
30 54.403, plus \$9.25.

31 (2) If the eligible telecommunications carrier offers prepaid  
32 wireless service, the lifeline adjustment for that service must be  
33 the greater of the following:

34 (a) The number of minutes that, when calculated using the lowest  
35 per minute rate the eligible telecommunications carrier offers to its  
36 prepaid wireless customers, equals or exceeds the value of the  
37 adjustment under subsection (1) of this section that would otherwise  
38 apply;

1 (b) The number of minutes recognized by the federal  
2 communications commission as an acceptable compliance plan provision  
3 for that provider.

4 NEW SECTION. **Sec. 6.** A new section is added to chapter 80.36  
5 RCW to read as follows:

6 (1) When a customer qualifies for federal universal service fund  
7 support for eligible residents of tribal lands under 47 C.F.R. Sec.  
8 54.400:

9 (a) If the lifeline base rate is \$25 or less, the lifeline  
10 adjustment is \$10, plus whatever federal universal service fund  
11 support the customer qualifies for as an eligible resident of tribal  
12 lands.

13 (b) If the lifeline base rate is greater than \$25, the lifeline  
14 adjustment is the amount necessary to reduce the lifeline monthly  
15 rate to the level at which the adjustment results in a state  
16 reimbursement amount that is equal to what it would be under section  
17 5(1)(b) of this act, plus whatever federal universal service fund  
18 support the customer qualifies for as an eligible resident of tribal  
19 lands.

20 (2) The adjustment under subsection (1)(a) of this section must  
21 be increased automatically if both of the following occur:

22 (a) A federal communications commission order or a change in  
23 federal law causes an increase in a customer's lifeline base rate;

24 (b) The state reimbursement amount after the increased adjustment  
25 is not greater than it was before the federal communications  
26 commission order or change in federal law.

27 NEW SECTION. **Sec. 7.** A new section is added to chapter 80.36  
28 RCW to read as follows:

29 (1) Except as provided in subsection (2) of this section, the  
30 eligible telecommunications carrier shall show the lifeline  
31 adjustment either as an adjustment to the full tariffed or standard  
32 rate on a customer's bill or as a special rate designation. Whenever  
33 possible, the eligible telecommunications carrier shall begin showing  
34 the lifeline adjustment or rate on an eligible customer's bill on the  
35 next bill date following the date of application for lifeline  
36 assistance. If the eligible telecommunications carrier does not apply  
37 the lifeline adjustment or rate on the next bill date, when the

1 eligible telecommunications carrier does apply the credit it must be  
2 applied back to the date of application.

3 (2) If an eligible telecommunications carrier offers prepaid  
4 service and does not render a bill for that service, if it maintains  
5 a statement of account or account balance for a prepaid service  
6 customer the provisions of subsection (1) of this section apply to  
7 the statement of account or account balance. If the eligible  
8 telecommunications carrier does not maintain a statement of account  
9 or account balance, the eligible telecommunications carrier shall  
10 include information about adjustments and applicability dates in its  
11 terms of service.

12 NEW SECTION. **Sec. 8.** A new section is added to chapter 80.36  
13 RCW to read as follows:

14 Providers shall follow the provisions of 47 C.F.R. Sec. 54.405(e)  
15 to terminate lifeline enrollment. The provider shall query the state  
16 database used to verify the customer's eligibility in order to obtain  
17 information about whether the customer is still eligible according to  
18 that database. If that database indicates that the customer is no  
19 longer eligible, the eligible telecommunications carrier shall follow  
20 the disenrollment procedures in 47 C.F.R. Sec. 54.405(e). The  
21 eligible telecommunications carrier shall send the notice separately  
22 from the customer's regular monthly bill, if one is provided. The  
23 notice must state the termination date and provide information about  
24 how to demonstrate continued eligibility.

25 NEW SECTION. **Sec. 9.** A new section is added to chapter 80.36  
26 RCW to read as follows:

27 (1) An eligible telecommunications carrier may only receive  
28 reimbursement if it complies with all federal lifeline requirements,  
29 including the requirement to stop requesting federal universal  
30 service fund reimbursement for a prepaid wireless telephone that has  
31 not been used in 60 days and the requirement to use the appropriate  
32 state database where possible to verify lifeline eligibility.

33 (2) The commission may withhold or suspend reimbursement while  
34 investigating compliance with state or federal lifeline requirements.

35 (3) Notwithstanding subsection (2) of this section, the provider  
36 reimbursement for partial months of service shall follow the policy  
37 set by the federal universal service administration corporation or  
38 its successors.



1 (1) "Basic telecommunications services" means the following  
2 services:

- 3 (a) Single-party service;
- 4 (b) Voice grade access to the public switched network;
- 5 (c) Support for local usage;
- 6 (d) Dual tone multifrequency signaling (touch-tone);
- 7 (e) Access to emergency services (911);
- 8 (f) Access to operator services;
- 9 (g) Access to interexchange services;
- 10 (h) Access to directory assistance; and
- 11 (i) Toll limitation services.

12 (2) "Broadband service" means any service providing advanced  
13 telecommunications capability, including internet access and access  
14 to high quality voice, data, graphics, or video.

15 (3) "E-rate discount" means an actual discount under the e-rate  
16 program, or a representative discount figure as determined by the  
17 commission.

18 (4) "E-rate program" means the federal universal service e-rate  
19 program as provided in 47 C.F.R. Sec. 54 and administered by the  
20 schools and libraries division of the universal service  
21 administrative company.

22 (5) "Office" means the statewide broadband office established  
23 under RCW 43.330.532.

24 (6) "Program" means the universal teleconnect service program  
25 created in section 13 of this act.

26 (7) "Telecommunications" has the same meaning as defined in 47  
27 U.S.C. Sec. 153(43).

28 NEW SECTION. **Sec. 13.** A new section is added to chapter 80.36  
29 RCW to read as follows:

30 (1) A state universal teleconnect service program is established.  
31 The office shall develop, implement, and administer the program for  
32 the purpose of providing discounted rates for telecommunications  
33 services to qualifying K-12 schools, community colleges, libraries,  
34 community-based and public hospitals, community-based and public  
35 health clinics, and community organizations.

36 (2) Eligible applicants to receive discounted rates under the  
37 program include, but are not limited to, all customers eligible to  
38 receive discounts for telecommunications services under the e-rate  
39 program administered by the schools and libraries division of the



1 universal service administrative company that also apply for  
2 discounts on telecommunications services provided in subsection (1)  
3 of this section.

4 (3) The discount developed under subsection (1) of this section  
5 must:

6 (a) Be a minimum of a 50 percent discount to program participants  
7 for broadband services;

8 (b) Be a minimum of a 25 percent discount to program participants  
9 for basic telecommunications services; and

10 (c) Be applied after applying an e-rate discount. The office  
11 shall first apply an e-rate discount, regardless of whether the  
12 customer has applied for an e-rate discount or has been approved, if  
13 the customer, in the determination of the office, meets the  
14 eligibility requirements for an e-rate discount.

15 (4) In establishing a discount under the program, the office must  
16 give priority to bridging the digital divide by encouraging expanded  
17 access to state-of-the-art technologies for rural, inner city, low-  
18 income, and disabled residents of Washington.

19 (5) The office must adopt rules to implement this section.

20 **PART IV**

21 **DIGITAL EQUITY OPPORTUNITY PROGRAM**

22  
23 **Sec. 14.** RCW 43.330.530 and 2019 c 365 s 2 are each amended to  
24 read as follows:

25 The definitions in this section apply throughout this section and  
26 RCW 43.330.532 through 43.330.538 unless the context clearly requires  
27 otherwise.

28 (1) (a) "Advanced telecommunications capability" means, without  
29 regard to any transmission media or technology, high-speed, switched,  
30 broadband telecommunications capability that enables users to  
31 originate and receive high quality voice, data, graphics, and video  
32 telecommunications using any technology.

33 (b) "Advanced telecommunications capability" does not include  
34 access to a technology that delivers transmission speeds below the  
35 minimum download and upload speeds provided in the definition of  
36 broadband in this section.

37 (2) "Aging individual" means an individual 60 years of age or  
38 older.

1       (3) "Board" means the public works board established in RCW  
2 43.155.030.

3       ~~((2))~~ (4) "Broadband" or "broadband service" means any service  
4 providing advanced telecommunications capability and internet access  
5 with transmission speeds that, at a minimum, provide twenty-five  
6 megabits per second download and three megabits per second upload.

7       ~~((3))~~ (5) "Broadband adoption" means the process by which an  
8 individual obtains daily access to the internet that:

9       (a) Is at a speed, quality, and capacity necessary for the  
10 individual to accomplish common tasks, such that the access qualifies  
11 as an advanced telecommunications capability;

12       (b) Allows individuals the digital skills necessary to  
13 participate online; and

14       (c) Is on a personal device that is on a secure and convenient  
15 network.

16       (6) "Broadband infrastructure" means networks of deployed  
17 telecommunications equipment and technologies necessary to provide  
18 high-speed internet access and other advanced telecommunications  
19 services to end users.

20       ~~((4))~~ (7) "Department" means the department of commerce.

21       ~~((5))~~ (8) "Digital equity" means the condition in which  
22 individuals and communities in Washington have the information  
23 technology capacity that is needed for full participation in society  
24 and the economy.

25       (9) (a) "Digital inclusion" means the activities that are  
26 necessary to ensure that all individuals in Washington have access  
27 to, and the use of, affordable information and communication  
28 technologies, including:

29       (i) Reliable fixed and wireless broadband internet service;

30       (ii) Internet-enabled devices that meet the needs of the user;

31 and

32       (iii) Applications and online content designed to enable and  
33 encourage self-sufficiency, participation, and collaboration.

34       (b) "Digital inclusion" also includes obtaining access to digital  
35 literacy training, the provision of quality technical support, and  
36 obtaining basic awareness of measures to ensure online privacy and  
37 cybersecurity.

38       (10) "Digital literacy" means the skills associated with using  
39 technology to enable users to use information and communications

1 technologies to find, evaluate, organize, create, and communicate  
2 information.

3 (11) "Last mile infrastructure" means broadband infrastructure  
4 that serves as the final connection from a broadband service  
5 provider's network to the end-use customer's on-premises  
6 telecommunications equipment.

7 ~~((6))~~ (12) "Local government" includes cities, towns, counties,  
8 municipal corporations, public port districts, public utility  
9 districts, quasi-municipal corporations, special purpose districts,  
10 and multiparty entities comprised of public entity members.

11 ~~((7))~~ (13) "Low-income household" means a household, the  
12 federal taxable income of which is not more than 200 percent of an  
13 amount equal to the poverty level, as determined by using criteria of  
14 poverty established by the United States bureau of the census, for  
15 the most recently completed taxable year.

16 (14) "Middle mile infrastructure" means broadband infrastructure  
17 that links a broadband service provider's core network infrastructure  
18 to last mile infrastructure.

19 ~~((8))~~ (15) "Office" means the governor's statewide broadband  
20 office established in RCW 43.330.532.

21 ~~((9))~~ (16) "Tribe" means any federally recognized Indian tribe  
22 whose traditional lands and territories included parts of Washington.

23 ~~((10))~~ (17) "Underserved population" means:

24 (a) Individuals who live in low-income households;

25 (b) Aging individuals;

26 (c) Incarcerated individuals;

27 (d) Veterans;

28 (e) Individuals with disabilities;

29 (f) Individuals with a language barrier, including individuals  
30 who are English learners or who have low levels of literacy;

31 (g) Individuals who are members of a racial or ethnic minority  
32 group; and

33 (h) Individuals who primarily reside in a rural area.

34 (18) "Unserved areas" means areas of Washington in which  
35 households and businesses lack access to broadband service, as  
36 defined by the office, except that the state's definition for  
37 broadband service may not be actual speeds less than twenty-five  
38 megabits per second download and three megabits per second upload.

1       **Sec. 15.** RCW 43.330.532 and 2019 c 365 s 3 are each amended to  
2 read as follows:

3       (1) The governor's statewide broadband office is established. The  
4 director of the office must be appointed by the governor. The office  
5 may employ staff necessary to carry out the office's duties as  
6 prescribed by chapter 365, Laws of 2019, subject to the availability  
7 of amounts appropriated for this specific purpose.

8       (2) The purpose of the office is to encourage, foster, develop,  
9 and improve affordable, quality broadband within the state in order  
10 to:

11       (a) Drive job creation, promote innovation, improve economic  
12 vitality, and expand markets for Washington businesses;

13       (b) Serve the ongoing and growing needs of Washington's education  
14 systems, health care systems, public safety systems, industries and  
15 business, governmental operations, and citizens; and

16       (c) Improve broadband accessibility and adoption for unserved and  
17 underserved communities and populations.

18       **Sec. 16.** RCW 43.330.534 and 2019 c 365 s 4 are each amended to  
19 read as follows:

20       (1) The office has the power and duty to:

21       (a) Serve as the central broadband planning body for the state of  
22 Washington;

23       (b) Coordinate with local governments, tribes, public and private  
24 entities, nonprofit organizations, and consumer-owned and investor-  
25 owned utilities to develop strategies and plans promoting deployment  
26 of broadband infrastructure and greater broadband access, while  
27 protecting proprietary information;

28       (c) Review existing broadband initiatives, policies, and public  
29 and private investments;

30       (d) Develop, recommend, and implement a statewide plan to  
31 encourage cost-effective broadband access and to make recommendations  
32 for increased usage, particularly in rural and other unserved areas;

33       (e) Update the state's broadband goals and definitions for  
34 broadband service in unserved areas as technology advances, except  
35 that the state's definition for broadband service may not be actual  
36 speeds less than twenty-five megabits per second download and three  
37 megabits per second upload; and

38       (f) Encourage public-private partnerships to increase deployment  
39 and adoption of broadband services and applications.

1 (2) When developing plans or strategies for broadband deployment,  
2 the office must consider:

3 (a) Partnerships between communities, tribes, nonprofit  
4 organizations, local governments, consumer-owned and investor-owned  
5 utilities, and public and private entities;

6 (b) Funding opportunities that provide for the coordination of  
7 public, private, state, and federal funds for the purposes of making  
8 broadband infrastructure or broadband services available to rural and  
9 unserved areas of the state;

10 (c) Barriers to the deployment, adoption, and utilization of  
11 broadband service, including affordability of service; and

12 (d) Requiring minimum broadband service of twenty-five megabits  
13 per second download and three megabits per second upload speed, that  
14 is scalable to faster service.

15 (3) The office may assist applicants for the grant and loan  
16 programs created in RCW 43.155.160 and 43.330.412 and section 18 of  
17 this act with seeking federal funding or matching grants and other  
18 grant opportunities for deploying or increasing adoption of broadband  
19 services.

20 (4) The office may take all appropriate steps to seek and apply  
21 for federal funds for which the office is eligible, and other grants,  
22 and accept donations, and must deposit these funds in the statewide  
23 broadband account created in RCW 43.155.165.

24 (5) In carrying out its purpose, the office may collaborate with  
25 the utilities and transportation commission, the office of the chief  
26 information officer, the department of commerce, the community  
27 economic revitalization board, the public works board, the state  
28 librarian, and all other relevant state agencies.

29 **Sec. 17.** RCW 43.330.412 and 2011 1st sp.s. c 43 s 607 are each  
30 amended to read as follows:

31 The (~~community technology~~) digital equity opportunity program  
32 is created to (~~support the efforts of community technology~~  
33 ~~programs~~) advance broadband adoption and digital equity and  
34 inclusion throughout the state. The (~~community technology~~) digital  
35 equity opportunity program must be administered by the department.  
36 The department may contract for services in order to carry out the  
37 department's obligations under this section.

1 (1) In implementing the (~~community technology~~) digital equity  
2 opportunity program the director must, to the extent funds are  
3 appropriated for this purpose:

4 (a) Provide (~~organizational and capacity building~~) support to  
5 community technology programs throughout the state(~~(, and identify~~  
6 ~~and facilitate the availability of other public and private sources~~  
7 ~~of funds to enhance the purposes of the program and the work of~~  
8 ~~community technology programs. No~~) for the purpose of:

9 (i) Evaluating the impact and efficacy of activities supported by  
10 grants awarded under the covered programs; and

11 (ii) Developing, cataloging, disseminating, and promoting the  
12 exchange of best practices, both with respect to and independent of  
13 the covered programs, in order to achieve digital equity. After July  
14 1, 2023, no more than fifteen percent of funds received by the  
15 director for the program may be expended on these functions;

16 (b) Establish a competitive grant program and provide grants to  
17 community technology programs to (~~provide~~) advance digital equity  
18 and digital inclusion by providing training and skill-building  
19 opportunities; access to hardware and software; internet  
20 connectivity; digital media literacy; assistance in the adoption of  
21 information and communication technologies in low-income and  
22 underserved areas and populations of the state; and development of  
23 locally relevant content and delivery of vital services through  
24 technology.

25 (2) Grant applicants must:

26 (a) Provide evidence that the applicant is a nonprofit entity or  
27 a public entity that is working in partnership with a nonprofit  
28 entity;

29 (b) Define the geographic area or population to be served;

30 (c) Include in the application the results of a needs assessment  
31 addressing, in the geographic area or among the population to be  
32 served: The impact of inadequacies in technology access or knowledge,  
33 barriers faced, and services needed;

34 (d) Explain in detail the strategy for addressing the needs  
35 identified and an implementation plan including objectives, tasks,  
36 and benchmarks for the applicant and the role that other  
37 organizations will play in assisting the applicant's efforts;

38 (e) Provide evidence of matching funds and resources, which are  
39 equivalent to at least (~~one-quarter~~) 10 percent of the grant amount  
40 committed to the applicant's strategy;

1 (f) Provide evidence that funds applied for, if received, will be  
2 used to provide effective delivery of community technology services  
3 in alignment with the goals of this program and to increase the  
4 applicant's level of effort beyond the current level; and

5 (g) Comply with such other requirements as the director  
6 establishes.

7 (3) The director may use no more than ten percent of funds  
8 received for the (~~community technology~~) digital equity opportunity  
9 program to cover administrative expenses.

10 (4) The director must establish expected program outcomes for  
11 each grant recipient and must require grant recipients to provide an  
12 annual accounting of program outcomes.

13 (5) No grant under the digital equity opportunity program created  
14 under this section may be awarded based on a formula or criteria that  
15 gives preference to urban areas over rural areas, including the use  
16 of a criterion in awarding a grant that affords increased weight the  
17 greater the density of population.

18 NEW SECTION. Sec. 18. A new section is added to chapter 43.330  
19 RCW to read as follows:

20 (1) Subject to the availability of funds appropriated for this  
21 purpose, the department shall establish a digital equity planning  
22 grant program.

23 (2) This program shall provide grants to local governments,  
24 institutions of higher education, or other entities who have entered  
25 into an agreement with a local government, to fund the development of  
26 a digital equity plan for a discrete geographic region of the state.  
27 Priority must be given for grant applications accompanied by express  
28 support from nonprofit community or neighborhood-based organizations,  
29 public development authorities, federally recognized Indian tribes in  
30 the state, or other community partners and partners from the  
31 categories of institutions outlined in RCW 43.330.421. Only the  
32 director or the director's designee may authorize expenditures.

33 (3) An applicant must submit an application to the department in  
34 order to be eligible for funding under this section.

35 (4) The department must evaluate and rank applications using  
36 objective criteria such as the number of underserved population  
37 served and subjective criteria such as the degree of support and  
38 engagement evidenced by the community who will be served.

1 (5) No planning grant under this section may be awarded based on  
2 a formula or criteria that gives preference to urban areas over rural  
3 areas, including the use of a criterion in awarding a grant that  
4 affords increased weight the greater the density of population.

5 (6) The department shall develop criteria for what the digital  
6 equity plans must include.

7 (7) The department may adopt rules to implement this section.

8 **PART V**

9 **UNIVERSAL SERVICES ACCOUNT**

10 **Sec. 19.** RCW 80.36.690 and 2019 c 365 s 16 are each amended to  
11 read as follows:

12 (1) The universal (~~communications~~) services account is created  
13 in (~~the custody of~~) the state (~~treasurer. Revenues to the account~~  
14 ~~consist of moneys deposited in the account by the legislature and any~~  
15 ~~penalties or other recoveries received pursuant to RCW 80.36.670.~~  
16 ~~Expenditures from the account may be used only for the purposes of~~  
17 ~~the universal communications services program established in RCW~~  
18 ~~80.36.650 and commission expenses related to implementation and~~  
19 ~~administration of the provisions of RCW 80.36.630 through 80.36.690~~  
20 ~~and section 212, chapter 8, Laws of 2013 2nd sp. sess. Only the~~  
21 ~~secretary of the commission or the secretary's designee may authorize~~  
22 ~~expenditures from the account. The account is subject to allotment~~  
23 ~~procedures under chapter 43.88 RCW, but an appropriation is not~~  
24 ~~required for expenditures)) treasury. Moneys in the account may be  
25 spent only after appropriation.~~

26 (2) (~~This section expires July 1, 2025~~) All receipts from the  
27 switched access line tax pursuant to chapter 82.--- RCW (the new  
28 chapter created in section 38 of this act), the internet access line  
29 tax pursuant to chapter 82.--- RCW (the new chapter created in  
30 section 39 of this act), any penalties or other recoveries received  
31 pursuant to RCW 80.36.670, or any other source directed to the  
32 account must be deposited into the account.

33 (3) Expenditures from the account may be used only for programs  
34 established in:

- 35 (a) RCW 80.36.650, the universal communications services program;  
36 (b) Section 1 of this act, the senior call-check service and  
37 notification program;  
38 (c) Section 3 of this act, the Washington lifeline program;



1 (d) Section 13 of this act, the state universal teleconnect  
2 service program;

3 (e) RCW 43.330.412, the digital equity opportunity program; and

4 (f) Section 18 of this act, the digital equity planning grant  
5 program.

6 **PART VI**

7 **TELEPHONE AND VOICE OVER INTERNET PROTOCOL TAX**

8 NEW SECTION. **Sec. 20.** The definitions in this section apply  
9 throughout this chapter unless the context clearly requires  
10 otherwise.

11 (1) "Consumer" means a person who purchases a prepaid wireless  
12 telecommunications service in a retail transaction.

13 (2) "Interconnected voice over internet protocol service" has the  
14 same meaning as provided by the federal communications commission in  
15 47 C.F.R. Sec. 9.3 on January 1, 2009, or a subsequent date  
16 determined by the department.

17 (3) "Interconnected voice over internet protocol service line"  
18 means an interconnected voice over internet protocol service that  
19 offers an active telephone number or successor dialing protocol  
20 assigned by a voice over internet protocol provider to a voice over  
21 internet protocol service customer that has inbound and outbound  
22 calling capability, which can directly access a public safety  
23 answering point when such a voice over internet protocol service  
24 customer has a place of primary use in the state.

25 (4) "Local exchange company" has the same meaning as defined in  
26 RCW 80.04.010.

27 (5) "Place of primary use" means the street address  
28 representative of where the subscriber's use of the radio access line  
29 or interconnected voice over internet protocol service line occurs,  
30 which must be:

31 (a) The residential street address or primary business street  
32 address of the subscriber; and

33 (b) In the case of radio access lines, within the licensed  
34 service area of the home service provider.

35 (6) "Prepaid wireless telecommunications service" means a  
36 telecommunications service that provides the right to use mobile  
37 wireless service as well as other nontelecommunications services  
38 including the download of digital products delivered electronically,

1 content, and ancillary services, which must be paid for in full in  
2 advance and sold in predetermined units or dollars of which the  
3 number declines with use in a known amount.

4 (7) "Private telecommunications system" has the same meaning as  
5 defined in RCW 80.04.010.

6 (8) "Radio access line" means the telephone number assigned to or  
7 used by a subscriber for two-way local wireless voice service  
8 available to the public for hire from a radio communications service  
9 company. Radio access lines include, but are not limited to, radio-  
10 telephone communications lines used in cellular telephone services,  
11 personal communications services, and network radio access lines, or  
12 their functional and competitive equivalent. Radio access lines do  
13 not include lines that provide access to one-way signaling services,  
14 such as paging services, or to communications channels suitable only  
15 for data transmission, or to nonlocal radio access line services,  
16 such as wireless roaming services, or to a private telecommunications  
17 system.

18 (9) (a) "Radio communications service company" has the same  
19 meaning as defined in RCW 80.04.010, except that it does not include  
20 radio paging providers.

21 (b) "Radio communications service company" does include those  
22 persons or entities that provide commercial mobile radio services, as  
23 defined by 47 U.S.C. Sec. 332(d)(1), and both facilities-based and  
24 nonfacilities-based resellers.

25 (10) "Retail transaction" means the purchase of prepaid wireless  
26 telecommunications service from a seller for any purpose other than  
27 resale.

28 (11) "Seller" means a person who sells prepaid wireless  
29 telecommunications service to another person.

30 (12) (a) "Subscriber" means the retail purchaser of  
31 telecommunications service, a competitive telephone service, or  
32 interconnected voice over internet protocol service.

33 (b) "Subscriber" does not include a consumer, as defined in this  
34 section.

35 (13) "Switched access line" means the telephone service line that  
36 connects a subscriber's main telephone or equivalent main telephone  
37 to the local exchange company's switching office.

38 NEW SECTION. **Sec. 21.** (1) An additional excise tax is imposed  
39 on all switched access lines in the state. The amount of tax is equal

1 to 25 cents per month for each switched access line. The tax must be  
2 uniform for each switched access line. The tax imposed under this  
3 subsection must be remitted to the department by local exchange  
4 companies on a tax return provided by the department. Tax proceeds  
5 must be deposited by the treasurer in the universal services account  
6 created in RCW 80.36.690.

7 (2) (a) An additional excise tax is imposed on the use of all  
8 radio access lines:

9 (i) By subscribers whose place of primary use is located within  
10 the state in an amount of 25 cents per month for each radio access  
11 line. The tax must be uniform for each radio access line under this  
12 subsection (2) (a) (i); and

13 (ii) By consumers whose retail transaction occurs within the  
14 state in an amount of 25 cents per retail transaction. The tax must  
15 be uniform for each retail transaction under this subsection  
16 (2) (a) (ii).

17 (b) The tax imposed under this section must be remitted to the  
18 department by radio communications service companies, including those  
19 companies that resell radio access lines, and sellers of prepaid  
20 wireless telecommunications service, on a tax return provided by the  
21 department. Tax proceeds must be deposited by the treasurer in the  
22 universal services account created in RCW 80.36.690. The tax imposed  
23 under this section is not subject to the state sales and use tax or  
24 any local tax.

25 (3) For the purposes of the additional excise taxes imposed by  
26 subsection (2) of this section, the retail transaction is deemed to  
27 occur at the location where the transaction is sourced to under RCW  
28 82.32.520 (3) (c).

29 (4) An additional excise tax is imposed on all interconnected  
30 voice over internet protocol service lines in the state. The amount  
31 of tax is equal to 25 cents per month for each interconnected voice  
32 over internet protocol service line whose place of primary use is  
33 located in the state. The amount of tax must be uniform for each line  
34 and must be levied on no more than the number of voice over internet  
35 protocol service lines on an account that are capable of simultaneous  
36 unrestricted outward calling to the public switched telephone  
37 network. The tax imposed under this subsection must be remitted to  
38 the department by interconnected voice over internet protocol service  
39 companies on a tax return provided by the department. Tax proceeds

1 must be deposited by the treasurer in the universal services account  
2 created in RCW 80.36.690.

3 NEW SECTION. **Sec. 22.** (1) Except as provided otherwise in  
4 subsection (2) of this section:

5 (a) The additional excise tax imposed by this chapter on switched  
6 access lines must be collected from the subscriber by the local  
7 exchange company providing the switched access line.

8 (b) The additional excise tax imposed by this chapter on radio  
9 access lines must be collected from the subscriber by the radio  
10 communications service company, including those companies that resell  
11 radio access lines, providing the radio access line to the  
12 subscriber, and the seller of prepaid wireless telecommunications  
13 service.

14 (c) The additional excise tax imposed by this chapter on  
15 interconnected voice over internet protocol service lines must be  
16 collected from the subscriber by the interconnected voice over  
17 internet protocol service company providing the interconnected voice  
18 over internet protocol service line to the subscriber.

19 (d) The amount of the tax must be stated separately on the  
20 billing statement that is sent to the subscriber.

21 (2)(a) The additional excise taxes imposed by this chapter must  
22 be collected from the consumer by the seller of a prepaid wireless  
23 telecommunications service for each retail transaction occurring in  
24 this state.

25 (b) The department must transfer all tax proceeds remitted by a  
26 seller under this subsection as provided in section 21(2) of this  
27 act.

28 (c) The taxes required by this subsection to be collected by the  
29 seller must be separately stated in any sales invoice or instrument  
30 of sale provided to the consumer.

31 NEW SECTION. **Sec. 23.** (1)(a) The additional excise taxes  
32 imposed by this chapter must be paid by:

33 (i) The subscriber to the local exchange company providing the  
34 switched access line, the radio communications service company  
35 providing the radio access line, or the interconnected voice over  
36 internet protocol service company providing the interconnected voice  
37 over internet protocol service line; or

1 (ii) The consumer to the seller of prepaid wireless  
2 telecommunications service.

3 (b) Each local exchange company, each radio communications  
4 service company, and each interconnected voice over internet protocol  
5 service company must collect from the subscriber, and each seller of  
6 prepaid wireless telecommunications service must collect from the  
7 consumer, the full amount of the taxes payable. The additional excise  
8 taxes required by this chapter to be collected by a company or  
9 seller, are deemed to be held in trust by the company or seller until  
10 paid to the department. Any local exchange company, radio  
11 communications service company, seller of prepaid wireless  
12 telecommunications service, or interconnected voice over internet  
13 protocol service company that appropriates or converts the tax  
14 collected to its own use or to any use other than the payment of the  
15 tax to the extent that the money collected is not available for  
16 payment on the due date as prescribed in this chapter is guilty of a  
17 gross misdemeanor.

18 (2) If any local exchange company, radio communications service  
19 company, seller of prepaid wireless telecommunications service, or  
20 interconnected voice over internet protocol service company fails to  
21 collect the additional excise tax imposed by this chapter or, after  
22 collecting the tax, fails to pay it to the department in the manner  
23 prescribed by this chapter, whether such failure is the result of its  
24 own act or the result of acts or conditions beyond its control, the  
25 company or seller is personally liable to the state for the amount of  
26 the tax, unless the company or seller has taken from the buyer in  
27 good faith documentation, in a form and manner prescribed by the  
28 department, stating that the buyer is not a subscriber or consumer or  
29 is otherwise not liable for the additional excise tax imposed by this  
30 chapter.

31 (3) The amount of tax, until paid by the subscriber to the local  
32 exchange company, the radio communications service company, the  
33 interconnected voice over internet protocol service company, or to  
34 the department, or until paid by the consumer to the seller of  
35 prepaid wireless telecommunications service, or to the department,  
36 constitutes a debt from the subscriber to the company, or from the  
37 consumer to the seller. Any company or seller that fails or refuses  
38 to collect the tax as required with intent to violate the provisions  
39 of this chapter or to gain some advantage or benefit, either direct  
40 or indirect, and any subscriber or consumer who refuses to pay any

1 tax due under this chapter is guilty of a misdemeanor. The additional  
2 excise taxes required by this chapter to be collected by the local  
3 exchange company, radio communications service company, or  
4 interconnected voice over internet protocol service company must be  
5 stated separately on the billing statement that is sent to the  
6 subscriber.

7 (4) If a subscriber has failed to pay to the local exchange  
8 company, radio communications service company, or interconnected  
9 voice over internet protocol service company, or a consumer has  
10 failed to pay to the seller of prepaid wireless telecommunications  
11 service, the additional excise taxes imposed by this chapter and the  
12 company or seller has not paid the amount of the tax to the  
13 department, the department may, in its discretion, proceed directly  
14 against the subscriber or consumer for collection of the tax, in  
15 which case a penalty of 10 percent may be added to the amount of the  
16 tax for failure of the subscriber or consumer to pay the tax to the  
17 company or seller, regardless of when the tax is collected by the  
18 department. Tax under this chapter is due as provided under section  
19 25 of this act.

20 NEW SECTION. **Sec. 24.** (1) The department must administer and  
21 adopt rules as may be necessary to enforce and administer the  
22 additional excise taxes imposed by this chapter. Chapter 82.32 RCW,  
23 with the exception of RCW 82.32.045, 82.32.145, and 82.32.380,  
24 applies to the administration, collection, and enforcement of the  
25 additional excise taxes imposed by this chapter.

26 (2) The additional excise tax imposed by this chapter, along with  
27 reports and returns on forms prescribed by the department, are due at  
28 the same time the taxpayer reports other taxes under RCW 82.32.045.  
29 If no other taxes are reported under RCW 82.32.045, the taxpayer must  
30 remit the tax on an annual basis in accordance with RCW 82.32.045.

31 (3) The department may relieve any taxpayer or class of taxpayers  
32 from the obligation of remitting monthly and may require the return  
33 to cover other longer reporting periods, but in no event may returns  
34 be filed for a period greater than one year.

35 (4) The additional excise tax imposed by this chapter is in  
36 addition to any taxes imposed upon the same persons under chapters  
37 82.08, 82.12, and 82.14 RCW.

1        NEW SECTION.     **Sec. 25.**     (1) A local exchange company, radio  
2 communications service company, or interconnected voice over internet  
3 protocol service company must file tax returns on a cash receipts or  
4 accrual basis according to which method of accounting is regularly  
5 employed in keeping the books of the company. A company filing  
6 returns on a cash receipts basis is not required to pay tax on debt  
7 subject to credit or refund under subsection (2) of this section.

8        (2) A local exchange company, radio communications service  
9 company, or interconnected voice over internet protocol service  
10 company is entitled to a credit or refund for additional excise taxes  
11 imposed by this chapter previously paid on bad debts, as that term is  
12 used in 26 U.S.C. Sec. 166, as amended or renumbered as of January 1,  
13 2003.

14        NEW SECTION.     **Sec. 26.**     The taxes imposed by this chapter do not  
15 apply to any activity that the state or county is prohibited from  
16 taxing under the Constitution of this state or the Constitution or  
17 laws of the United States.

18        NEW SECTION.     **Sec. 27.**     (1) Unless a seller, local exchange  
19 company, radio communications service company, or interconnected  
20 voice over internet protocol service company has taken from the buyer  
21 documentation, in a form and manner prescribed by the department,  
22 stating that the buyer is not a subscriber, consumer, or is otherwise  
23 not liable for the tax, the burden of proving that a sale of the use  
24 of a switched access line, radio access line, or interconnected voice  
25 over internet protocol service line was not a sale to a subscriber,  
26 consumer, or was not otherwise subject to the tax is upon the person  
27 who made the sale.

28        (2) If a seller, local exchange company, radio communications  
29 service company, or interconnected voice over internet protocol  
30 service company does not receive documentation, in a form and manner  
31 prescribed by the department, stating that the buyer is not a  
32 subscriber, consumer, or is otherwise not liable for the tax at the  
33 time of the sale, have such documentation on file at the time of the  
34 sale, or obtain such documentation from the buyer within a reasonable  
35 time after the sale, the seller, local exchange company, radio  
36 communications service company, or interconnected voice over internet  
37 protocol service company remains liable for the tax as provided in  
38 section 23 of this act, unless the seller, local exchange company,

1 radio communications service company, or interconnected voice over  
2 internet protocol service company can demonstrate facts and  
3 circumstances according to rules adopted by the department that show  
4 the sale was properly made without payment of the additional excise  
5 tax imposed by this chapter.

6 (3) The penalty imposed by RCW 82.32.291 may not be assessed on  
7 additional excise taxes imposed by this chapter due but not paid as a  
8 result of the improper use of documentation stating that the buyer is  
9 not a subscriber or consumer or is otherwise not liable for the  
10 additional excise tax imposed by this chapter. This subsection does  
11 not prohibit or restrict the application of other penalties  
12 authorized by law.

13 NEW SECTION. **Sec. 28.** (1) Upon termination, dissolution, or  
14 abandonment of a corporate or limited liability company business, any  
15 officer, member, manager, or other person having control or  
16 supervision of additional excise tax funds collected and held in  
17 trust under section 23 of this act, or who is charged with the  
18 responsibility for the filing of returns or the payment of additional  
19 excise tax funds collected and held in trust under section 23 of this  
20 act, is personally liable for any unpaid taxes and interest and  
21 penalties on those taxes, if such officer or other person willfully  
22 fails to pay or to cause to be paid any additional excise taxes due  
23 from the corporation under this chapter. For the purposes of this  
24 section, any additional excise taxes imposed by this chapter that  
25 have been paid but not collected are deductible from the additional  
26 excise taxes imposed by this chapter collected but not paid. For  
27 purposes of this subsection "willfully fails to pay or to cause to be  
28 paid" means that the failure was the result of an intentional,  
29 conscious, and voluntary course of action.

30 (2) The officer, member, manager, or other person is liable only  
31 for taxes collected that became due during the period he or she had  
32 the control, supervision, responsibility, or duty to act for the  
33 corporation described in subsection (1) of this section, plus  
34 interest and penalties on those taxes.

35 (3) Persons liable under subsection (1) of this section are  
36 exempt from liability if nonpayment of the additional excise tax  
37 funds held in trust is due to reasons beyond their control as  
38 determined by the department by rule.



1 (4) Any person having been issued a notice of assessment under  
2 this section is entitled to the appeal procedures under RCW 82.32.160  
3 through 82.32.200.

4 (5) This section applies only if the department has determined  
5 that there is no reasonable means of collecting the additional excise  
6 tax funds held in trust directly from the corporation.

7 (6) This section does not relieve the corporation or limited  
8 liability company of other tax liabilities or otherwise impair other  
9 tax collection remedies afforded by law.

10 (7) Collection authority and procedures prescribed in chapter  
11 82.32 RCW apply to collections under this section.

12 **PART VII**

13 **INTERNET ACCESS TAX**

14 NEW SECTION. **Sec. 29.** The definitions in this section apply  
15 throughout this chapter unless the context clearly requires  
16 otherwise.

17 (1) "Consumer" means a person who purchases a prepaid internet  
18 access service in a retail transaction.

19 (2) "Internet access service" means mass-market retail service by  
20 wire or radio that provides the capability to transmit data to and  
21 receive data from all or substantially all internet endpoints,  
22 including any capabilities that are incidental to and enable the  
23 operation of the communications service.

24 (3) "Prepaid internet access service" means any internet access  
25 service that must be paid for in full in advance and sold in  
26 predetermined units or dollars of which the number declines with use  
27 in a known amount.

28 (4) "Retail transaction" means the purchase of prepaid internet  
29 access service from a seller for any purpose other than resale.

30 (5) "Seller" means a person who sells prepaid internet access  
31 service to another person.

32 (6) "Subscriber" means the retail purchaser of an internet access  
33 service subscription. "Subscriber" does not include a consumer, as  
34 defined in this section.

35 NEW SECTION. **Sec. 30.** (1) An excise tax is imposed on all  
36 internet access service subscriptions. The amount of tax is equal to  
37 25 cents per month for each subscriber. The tax imposed under this

1 subsection must be remitted to the department by internet access  
2 service providers on a tax return provided by the department. Tax  
3 proceeds must be deposited by the treasurer in the universal services  
4 account created in RCW 80.36.690.

5 (2) An excise tax is imposed on the use of all prepaid internet  
6 access service by consumers whose retail transaction occurs within  
7 the state in an amount of 25 cents per retail transaction. The tax  
8 imposed under this subsection must be remitted to the department by  
9 sellers of prepaid internet access service on a tax return provided  
10 by the department. Tax proceeds must be deposited by the treasurer in  
11 the universal services account created in RCW 80.36.690.

12 NEW SECTION. **Sec. 31.** (1) Except as provided otherwise in  
13 subsection (2) of this section:

14 (a) The excise tax imposed by this chapter on internet access  
15 service subscriptions must be collected from the subscriber by the  
16 internet access service provider providing the internet access  
17 service.

18 (b) The amount of the tax must be stated separately on the  
19 billing statement that is sent to the subscriber.

20 (2)(a) The excise taxes imposed by this chapter must be collected  
21 from the consumer by the seller of prepaid internet access service  
22 for each retail transaction occurring in this state.

23 (b) The taxes required by this subsection to be collected by the  
24 seller must be separately stated in any sales invoice or instrument  
25 of sale provided to the consumer.

26 NEW SECTION. **Sec. 32.** (1)(a) The excise taxes imposed by this  
27 chapter must be paid by:

28 (i) The subscriber to the internet access service provider  
29 providing the internet access service; or

30 (ii) The consumer to the seller of prepaid internet access  
31 service.

32 (b) Each internet access service provider and each seller of  
33 prepaid internet access service must collect from the consumer, the  
34 full amount of the taxes payable. The excise taxes required by this  
35 chapter to be collected by a company or seller, are deemed to be held  
36 in trust by the company or seller until paid to the department. Any  
37 internet access service provider or seller of prepaid internet access  
38 service that appropriates or converts the tax collected to its own

1 use or to any use other than the payment of the tax to the extent  
2 that the money collected is not available for payment on the due date  
3 as prescribed in this chapter is guilty of a gross misdemeanor.

4 (2) If any internet access service provider or seller of prepaid  
5 internet access service fails to collect the excise tax imposed by  
6 this chapter or, after collecting the tax, fails to pay it to the  
7 department in the manner prescribed by this chapter, whether such  
8 failure is the result of its own act or the result of acts or  
9 conditions beyond its control, the company or seller is personally  
10 liable to the state for the amount of the tax, unless the company or  
11 seller has taken from the buyer in good faith documentation, in a  
12 form and manner prescribed by the department, stating that the buyer  
13 is not a subscriber or consumer or is otherwise not liable for the  
14 excise tax imposed by this chapter.

15 (3) The amount of tax, until paid by the subscriber to the  
16 internet access service provider, or to the department, or until paid  
17 by the consumer to the seller of prepaid internet access service, or  
18 to the department, constitutes a debt from the subscriber to the  
19 company, or from the consumer to the seller. Any company or seller  
20 that fails or refuses to collect the tax as required with intent to  
21 violate the provisions of this chapter or to gain some advantage or  
22 benefit, either direct or indirect, and any subscriber or consumer  
23 who refuses to pay any tax due under this chapter is guilty of a  
24 misdemeanor. The excise taxes required by this chapter to be  
25 collected by the internet access service provider must be stated  
26 separately on the billing statement that is sent to the subscriber.

27 (4) If a subscriber has failed to pay to the internet access  
28 service provider or a consumer has failed to pay to the seller of  
29 prepaid internet access service, the excise taxes imposed by this  
30 chapter and the company or seller has not paid the amount of the tax  
31 to the department, the department may, in its discretion, proceed  
32 directly against the subscriber or consumer for collection of the  
33 tax, in which case a penalty of 10 percent may be added to the amount  
34 of the tax for failure of the subscriber or consumer to pay the tax  
35 to the company or seller, regardless of when the tax is collected by  
36 the department. Tax under this chapter is due as provided under  
37 section 34 of this act.

38 NEW SECTION. **Sec. 33.** (1) The department must administer and  
39 adopt rules as may be necessary to enforce and administer the excise

1 taxes imposed by this chapter. Chapter 82.32 RCW, with the exception  
2 of RCW 82.32.045, 82.32.145, and 82.32.380, applies to the  
3 administration, collection, and enforcement of the excise taxes  
4 imposed by this chapter.

5 (2) The excise tax imposed by this chapter, along with reports  
6 and returns on forms prescribed by the department, are due at the  
7 same time the taxpayer reports other taxes under RCW 82.32.045. If no  
8 other taxes are reported under RCW 82.32.045, the taxpayer must remit  
9 the tax on an annual basis in accordance with RCW 82.32.045.

10 (3) The department may relieve any taxpayer or class of taxpayers  
11 from the obligation of remitting monthly and may require the return  
12 to cover other longer reporting periods, but in no event may returns  
13 be filed for a period greater than one year.

14 (4) The excise tax imposed by this chapter is in addition to any  
15 taxes imposed upon the same persons under chapters 82.08, 82.12, and  
16 82.14 RCW.

17 NEW SECTION. **Sec. 34.** (1) An internet access service provider  
18 company must file tax returns on a cash receipts or accrual basis  
19 according to which method of accounting is regularly employed in  
20 keeping the books of the company. A company filing returns on a cash  
21 receipts basis is not required to pay tax on debt subject to credit  
22 or refund under subsection (2) of this section.

23 (2) An internet access service provider company is entitled to a  
24 credit or refund for excise taxes imposed by this chapter previously  
25 paid on bad debts, as that term is used in 26 U.S.C. Sec. 166, as  
26 amended or renumbered as of January 1, 2003.

27 NEW SECTION. **Sec. 35.** (1) Unless a seller or internet access  
28 service provider has taken from the buyer documentation, in a form  
29 and manner prescribed by the department, stating that the buyer is  
30 not a subscriber, consumer, or is otherwise not liable for the tax,  
31 the burden of proving that a sale of the use of internet access  
32 service was not a sale to a subscriber, consumer, or was not  
33 otherwise subject to the tax is upon the person who made the sale.

34 (2) If a seller or internet access service provider company does  
35 not receive documentation, in a form and manner prescribed by the  
36 department, stating that the buyer is not a subscriber, consumer, or  
37 is otherwise not liable for the tax at the time of the sale, have  
38 such documentation on file at the time of the sale, or obtain such

1 documentation from the buyer within a reasonable time after the sale,  
2 the seller or internet access service provider company remains liable  
3 for the tax as provided in section 32 of this act, unless the seller  
4 or internet access service provider company can demonstrate facts and  
5 circumstances according to rules adopted by the department that show  
6 the sale was properly made without payment of the excise tax imposed  
7 by this chapter.

8 (3) The penalty imposed by RCW 82.32.291 may not be assessed on  
9 excise taxes imposed by this chapter due but not paid as a result of  
10 the improper use of documentation stating that the buyer is not a  
11 subscriber or consumer or is otherwise not liable for the excise tax  
12 imposed by this chapter. This subsection does not prohibit or  
13 restrict the application of other penalties authorized by law.

14 NEW SECTION. **Sec. 36.** (1) Upon termination, dissolution, or  
15 abandonment of a corporate or limited liability company business, any  
16 officer, member, manager, or other person having control or  
17 supervision of excise tax funds collected and held in trust under  
18 section 32 of this act, or who is charged with the responsibility for  
19 the filing of returns or the payment of excise tax funds collected  
20 and held in trust under section 32 of this act, is personally liable  
21 for any unpaid taxes and interest and penalties on those taxes, if  
22 such officer or other person willfully fails to pay or to cause to be  
23 paid any excise taxes due from the corporation under this chapter.  
24 For the purposes of this section, any excise taxes imposed by this  
25 chapter that have been paid but not collected are deductible from the  
26 excise taxes imposed by this chapter collected but not paid. For  
27 purposes of this subsection "willfully fails to pay or to cause to be  
28 paid" means that the failure was the result of an intentional,  
29 conscious, and voluntary course of action.

30 (2) The officer, member, manager, or other person is liable only  
31 for taxes collected that became due during the period he or she had  
32 the control, supervision, responsibility, or duty to act for the  
33 corporation described in subsection (1) of this section, plus  
34 interest and penalties on those taxes.

35 (3) Persons liable under subsection (1) of this section are  
36 exempt from liability if nonpayment of the excise tax funds held in  
37 trust is due to reasons beyond their control as determined by the  
38 department by rule.

1 (4) Any person having been issued a notice of assessment under  
2 this section is entitled to the appeal procedures under RCW 82.32.160  
3 through 82.32.200.

4 (5) This section applies only if the department has determined  
5 that there is no reasonable means of collecting the excise tax funds  
6 held in trust directly from the corporation.

7 (6) This section does not relieve the corporation or limited  
8 liability company of other tax liabilities or otherwise impair other  
9 tax collection remedies afforded by law.

10 (7) Collection authority and procedures prescribed in chapter  
11 82.32 RCW apply to collections under this section.

12 **PART VIII**  
13 **MISCELLANEOUS PROVISIONS**

14 NEW SECTION. **Sec. 37.** The secretary of the department of social  
15 and health services, the secretary of the utilities and  
16 transportation commission, and the director of the statewide  
17 broadband office may take the necessary steps to ensure that the  
18 provisions of this act are implemented on the dates identified in  
19 sections 40 and 41 of this act.

20 NEW SECTION. **Sec. 38.** Sections 20 through 28 of this act  
21 constitute a new chapter in Title 82 RCW.

22 NEW SECTION. **Sec. 39.** Sections 29 through 36 of this act  
23 constitute a new chapter in Title 82 RCW.

24 NEW SECTION. **Sec. 40.** Sections 1 through 19 of this act take  
25 effect July 1, 2022.

26 NEW SECTION. **Sec. 41.** Sections 20 through 36 of this act take  
27 effect October 1, 2021.

28 NEW SECTION. **Sec. 42.** If any provision of this act or its  
29 application to any person or circumstance is held invalid, the  
30 remainder of the act or the application of the provision to other  
31 persons or circumstances is not affected.

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