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**HOUSE BILL 1990**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Representatives Duerr, Slatter, Kloba, Walen, and Fey; by request of Office of Financial Management

Read first time 01/14/22. Referred to Committee on Finance.

1 AN ACT Relating to a sales and use tax deferral for projects to  
2 improve the state route number 167 and Interstate 405 corridor;  
3 adding a new section to chapter 47.56 RCW; creating a new section;  
4 and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.56  
7 RCW to read as follows:

8 (1)(a) A person involved in the construction of any state route  
9 number 167 and Interstate 405 corridor project may apply to the  
10 department of revenue for deferral of state and local sales and use  
11 taxes owed by that person with respect to the site preparation for,  
12 the construction of, the acquisition of any related machinery and  
13 equipment that will become a part of, and the rental of equipment for  
14 use in, the projects. The deferral is for purchases made and labor or  
15 services rendered on or after the effective date of this section.

16 (b) Deferral applicants must submit their applications for  
17 deferral in a form and manner prescribed by the department of  
18 revenue. The application must contain information regarding estimated  
19 or actual costs, time schedules for completion and operation, and  
20 other information required by the department of revenue. The

1 department of revenue shall approve the application within 60 days if  
2 it meets the requirements of this section.

3 (2) The department of revenue shall issue a sales and use tax  
4 deferral certificate to qualifying applicants for state and local  
5 sales and use taxes imposed or authorized under chapters 82.08,  
6 82.12, and 82.14 RCW and RCW 81.104.170 on the project.

7 (3) A person granted a tax deferral under this section shall  
8 begin paying the deferred taxes in the fifth year after the date the  
9 department notifies the department of revenue in writing that all  
10 projects qualifying for a deferral under this section are  
11 operationally complete. The first payment is due on December 31st of  
12 the fifth calendar year after the notification date, with subsequent  
13 annual payments due on December 31st of the following nine years.  
14 Each payment must equal 10 percent of the deferred tax.

15 (4) The department of revenue may authorize an accelerated  
16 repayment schedule upon request of a person granted a deferral under  
17 this section.

18 (5) Interest and penalties must not be charged on any taxes  
19 deferred under this section for the period of deferral, although all  
20 other penalties and interest applicable to delinquent excise taxes  
21 may be assessed and imposed for delinquent payments under this  
22 section. The debt for deferred taxes is not extinguished by  
23 insolvency or other failure of any private entity granted a deferral  
24 under this section.

25 (6) Applications and any other information received by the  
26 department of revenue under this section are not confidential and are  
27 subject to disclosure. Chapter 82.32 RCW applies to the  
28 administration of this section.

29 (7) For purposes of this section, the following definitions  
30 apply:

31 (a) "Person" has the same meaning as in RCW 82.04.030 and also  
32 includes the department.

33 (b) "Qualifying applicant" means a person whose deferral  
34 application under this section was approved by the department of  
35 revenue.

36 (c) "State route number 167 and Interstate 405 corridor project"  
37 means any of the following projects:

38 (i) Interstate 405 and state route number 522 vicinity to state  
39 route number 527 express toll lanes improvement project (design  
40 completion and construction);

- 1           (ii) Interstate 405 Renton to Bellevue widening and express toll  
2 lanes project (construction of phase 3);  
3           (iii) Northbound and southbound state route number 167 stage 6  
4 extension project (design and construction);  
5           (iv) Interstate 405 and North 8th Street direct access ramp  
6 project (design and construction); and  
7           (v) Northeast 85th Street toll equipment through the Interstate  
8 405 and Northeast 85th Street interchange and inline bus rapid  
9 transit station project (toll infrastructure construction).

10           NEW SECTION.   **Sec. 2.**   The provisions of RCW 82.32.805 and  
11 82.32.808 do not apply to this act.

12           NEW SECTION.   **Sec. 3.**   This act takes effect July 1, 2022.

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