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HOUSE BILL 2024

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State of Washington

67th Legislature

2022 Regular Session

By Representatives Fey, Valdez, Macri, and Pollet

Read first time 01/18/22. Referred to Committee on Transportation.

1 AN ACT Relating to a sales and use tax deferral for projects to  
2 improve the state route number 520 corridor; amending RCW 47.01.412;  
3 creating a new section; and providing an effective date.

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

5 **Sec. 1.** RCW 47.01.412 and 2008 c 270 s 7 are each amended to  
6 read as follows:

7 (1) (a) Any person involved in the construction of the state route  
8 number 520 bridge replacement and HOV project may apply for deferral  
9 of state and local sales and use taxes on the site preparation for,  
10 the construction of, the acquisition of any related machinery and  
11 equipment that will become a part of, and the rental of equipment for  
12 use in, the project.

13 (b) Application shall be made to the department of revenue in a  
14 form and manner prescribed by the department of revenue. The  
15 application must contain information regarding estimated or actual  
16 costs, time schedules for completion and operation, and other  
17 information required by the department of revenue. The department of  
18 revenue shall approve the application within (~~sixty~~) 60 days if it  
19 meets the requirements of this section.

20 (2) The department of revenue shall issue a sales and use tax  
21 deferral certificate for state and local sales and use taxes imposed

1 or authorized under chapters 82.08, 82.12, and 82.14 RCW and RCW  
2 81.104.170 on the project.

3 (3) A person granted a tax deferral under this section shall  
4 begin paying the deferred taxes in the (~~five~~) 24th year after the  
5 date certified by the department of revenue as the date on which the  
6 project is operationally complete. The project is operationally  
7 complete under this section when the replacement bridge is  
8 constructed and opened to traffic. The first payment is due on  
9 December 31st of the (~~five~~) 24th calendar year after the certified  
10 date, with subsequent annual payments due on December 31st of the  
11 following nine years. Each payment shall equal (~~ten~~) 10 percent of  
12 the deferred tax.

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

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

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

26 (7) For purposes of this section, "person" has the same meaning  
27 as in RCW 82.04.030 and also includes the department of  
28 transportation.

29 NEW SECTION. **Sec. 2.** The provisions of RCW 82.32.805 and  
30 82.32.808 do not apply to this act.

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

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