

CERTIFICATION OF ENROLLMENT

ENGROSSED SENATE BILL 5800

67th Legislature
2022 Regular Session

Passed by the Senate February 15,
2022

Yeas 49 Nays 0

President of the Senate

Passed by the House March 2, 2022

Yeas 95 Nays 0

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 5800** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SENATE BILL 5800

Passed Legislature - 2022 Regular Session

State of Washington

67th Legislature

2022 Regular Session

By Senators Schoesler, Padden, and Rolfes

Read first time 01/11/22. Referred to Committee on Ways & Means.

1 AN ACT Relating to modifying tax and revenue laws in a manner
2 that is estimated to not affect state or local tax collections by
3 easing compliance burdens for taxpayers, clarifying ambiguities,
4 making technical corrections, and providing administrative
5 efficiencies; amending RCW 14.08.122, 19.02.115, 82.02.210,
6 82.04.299, 82.08.025661, 82.08.9997, 82.12.02685, 82.12.9997,
7 82.32.330, 82.32.534, 82.32.790, 82.62.030, and 84.52.065; and
8 creating a new section.

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

10 **Sec. 1.** RCW 14.08.122 and 1999 c 302 s 1 are each amended to
11 read as follows:

12 An airport operator may adopt all regulations necessary for
13 rental and use of airport facilities and for the expeditious
14 collection of airport charges. The regulations may also establish
15 procedures for the enforcement of these regulations by the airport
16 operator. The regulations shall include the following:

17 (1) Procedures authorizing airport personnel to take reasonable
18 measures including, but not limited to, the use of chains, ropes, and
19 locks to secure aircraft within the airport facility so that the
20 aircraft are in the possession and control of the airport operator
21 and cannot be removed from the airport. These procedures may be used

1 if an owner hangaring or parking an aircraft at the airport fails,
2 after being notified that charges are owing and of the owner's right
3 to contest that such charges are owing, to pay the airport charges
4 owed or to commence legal proceedings. Notification shall be by
5 registered mail to the owner at his or her last known address. In the
6 case of an aircraft where an owner's address cannot be determined or
7 obtained after reasonable effort, the airport operator need not give
8 such notice prior to securing the aircraft. At the time of securing
9 the aircraft, an authorized airport employee shall attach to the
10 aircraft a readily visible notice and shall make a reasonable attempt
11 to send a copy of the notice to the owner at his or her last known
12 address by registered mail, return receipt requested, and an
13 additional copy of the notice by first-class mail. The notice shall
14 be of a reasonable size and shall contain the following information:

- 15 (a) The date and time the notice was attached;
- 16 (b) A reasonable description of the aircraft;
- 17 (c) The identity of the authorized employee;
- 18 (d) The amount of airport charges owing;
- 19 (e) A statement that if the account is not paid in full within
20 ninety days from the time the notice was attached the aircraft may be
21 sold at public auction to satisfy the airport charges;
- 22 (f) A statement of the owner's right to commence legal
23 proceedings to contest the charges owing and to have the aircraft
24 released upon posting of an adequate cash bond or other security; and
- 25 (g) The address and telephone number where additional information
26 may be obtained concerning the release of the aircraft.

27 (2) Procedures authorizing airport personnel at their discretion
28 to move aircraft to an area within the airport operator's control or
29 for storage with private persons under the airport operator's control
30 as bailees of the airport facility. Costs of any such procedure shall
31 be paid by the aircraft's owner.

32 (3) If an aircraft is secured under subsection (1) of this
33 section or moved under conditions authorized by subsection (2) of
34 this section the owner who is obligated for hangaring or parking or
35 other airport charges may regain possession of the aircraft by:

- 36 (a) Making arrangements satisfactory with the airport operator
37 for the immediate removal of the aircraft from the airport's hangar,
38 or making arrangements for authorized parking; and

39 (b) By making payment to the airport operator of all airport
40 charges or by posting with the airport operator a sufficient cash

1 bond or other security acceptable to such operator, to be held in
2 trust by the airport operator pending written agreement of the
3 parties with respect to payment by the aircraft owner of the amount
4 owing, or pending resolution of charges in a civil action in a court
5 of competent jurisdiction. Upon written agreement or judicial
6 resolution, the trust shall terminate and the airport operator shall
7 receive so much of the bond or other security as is necessary to
8 satisfy the agreement, or any judgment, costs, and interest as may be
9 awarded to the airport operator. The balance shall be refunded
10 immediately to the owner at the owner's last known address by
11 registered mail, return receipt requested. The airport operator shall
12 send to the owner by first-class mail a notice that the balance of
13 funds was forwarded to him or her by registered mail, return receipt
14 requested.

15 (4) If an aircraft parked or hangared at an airport is abandoned,
16 the airport operator may authorize the public sale of the aircraft by
17 authorized personnel to the highest and best bidder for cash as
18 follows:

19 (a) If an aircraft has been secured by the airport operator under
20 subsection (1) of this section and is not released to the owner under
21 the bonding provisions of this section within ninety days after
22 notifying or attempting to notify the owner under subsection (1) of
23 this section, or in all other cases, for ninety days after the
24 airport operator secures the aircraft, the aircraft shall be
25 conclusively presumed to have been abandoned by the owner;

26 (b) Before the aircraft is sold, the owner of the aircraft shall
27 be given at least twenty days' notice of sale by registered mail,
28 return receipt requested, if the name and address of the owner are
29 known, and the notice of sale shall be published at least once, more
30 than ten but less than twenty days before the sale, in a newspaper of
31 general circulation in the county in which the airport is located.
32 The notice shall include the name of the aircraft, if any, its
33 aircraft identification number, the last known owner and address, the
34 time and place of sale, the amount of airport charges that will be
35 owing at the time of sale, a reasonable description of the aircraft
36 to be sold and a statement that the airport operator may bid all or
37 part of its airport charges at the sale and may become a purchaser at
38 the sale;

39 (c) Before the aircraft is sold, any person seeking to redeem an
40 impounded aircraft under this section may commence a lawsuit in the

1 superior court of the county in which the aircraft was impounded, to
2 contest the validity of the impoundment or the amount of airport
3 charges owing. Such lawsuit must be commenced within ten days of the
4 date the notification was provided under subsection (1) of this
5 section, or the right to a hearing is waived and the owner is liable
6 for any airport charges owing the airport operator. In the event of
7 litigation, the prevailing party is entitled to reasonable attorneys'
8 fees and costs;

9 (d) The proceeds of a sale under this section shall first be
10 applied to payment of airport charges owed. The balance, if any,
11 shall be deposited with the department of revenue to be held in trust
12 for the owner or owners and lienholders for a period of one year from
13 the date of sale. If more than one owner appears on the aircraft
14 title, and/or if any liens appear on the title, the department must,
15 if a claim is made, interplead the balance into a court of competent
16 jurisdiction for distribution. The department may release the balance
17 to the legal owner provided that the claim is made within one year of
18 sale and only one legal owner and no lienholders appear on the title.
19 If no valid claim is made within one year of the date of sale, the
20 excess funds from the sale shall be deposited in the (~~aircraft~~
21 ~~search and rescue, safety, and education account created in RCW~~
22 ~~47.68.236~~) aeronautics account created under RCW 82.42.090. If the
23 sale is for a sum less than the applicable airport charges, the
24 airport operator is entitled to assert a claim against the aircraft
25 owner or owners for the deficiency;

26 (e) In the event that no one purchases the aircraft at a sale, or
27 that the aircraft is not removed from the premises or other
28 arrangements are not made within ten days of the sale, title to the
29 aircraft shall revert to the airport operator.

30 (5) The regulations authorized under this section shall be
31 enforceable only if:

32 (a) The airport operator has had its tariff and/or regulations,
33 including any and all regulations authorizing the impoundment of an
34 aircraft that is the subject of delinquent airport charges,
35 conspicuously posted at the airport manager's office at all times(~~-~~
36 ~~+~~);

37 (b) All impounding remedies available to the airport operator are
38 included in any written contract for airport charges between an
39 airport operator and an aircraft owner; and

1 (c) All rules and regulations authorized under this section are
2 adopted either pursuant to chapter 34.05 RCW, or by resolution of the
3 appropriate legislative authority, as applicable.

4 **Sec. 2.** RCW 19.02.115 and 2017 c 323 s 701 are each amended to
5 read as follows:

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

8 (a) "Disclose" means to make known to any person in any manner
9 licensing information.

10 (b) "Licensing information" means any information created or
11 obtained by the department in the administration of this chapter and
12 chapters 19.80 and 59.30 RCW, which information relates to any person
13 who: (i) Has applied for or has been issued a license or trade name;
14 or (ii) has been issued an assessment or delinquency fee. Licensing
15 information includes initial and renewal business license
16 applications, and business licenses.

17 (c) "Person" has the same meaning as in RCW 82.04.030 and also
18 includes the state and the state's departments and institutions.

19 (d) "State agency" means every Washington state office,
20 department, division, bureau, board, commission, or other state
21 agency.

22 (2) Licensing information is confidential and privileged, and
23 except as authorized by this section, neither the department nor any
24 other person may disclose any licensing information. Nothing in this
25 chapter requires any person possessing licensing information made
26 confidential and privileged by this section to delete information
27 from such information so as to permit its disclosure.

28 (3) This section does not prohibit the department of revenue, or
29 any other person receiving licensing information from the department
30 under this subsection, from:

31 (a) Disclosing licensing information in a civil or criminal
32 judicial proceeding or an administrative proceeding:

33 (i) In which the person about whom such licensing information is
34 sought and the department, another state agency, or a local
35 government are adverse parties in the proceeding; or

36 (ii) Involving a dispute arising out of the department's
37 administration of chapter 19.80 or 59.30 RCW, or this chapter if the
38 licensing information relates to a party in the proceeding;

1 (b) Disclosing, subject to such requirements and conditions as
2 the director prescribes by rules adopted pursuant to chapter 34.05
3 RCW, such licensing information regarding a license applicant or
4 license holder to such license applicant or license holder or to such
5 person or persons as that license applicant or license holder may
6 designate in a request for, or consent to, such disclosure, or to any
7 other person, at the license applicant's or license holder's request,
8 to the extent necessary to comply with a request for information or
9 assistance made by the license applicant or license holder to such
10 other person. However, licensing information not received from the
11 license applicant or holder must not be so disclosed if the director
12 determines that such disclosure would compromise any investigation or
13 litigation by any federal, state, or local government agency in
14 connection with the civil or criminal liability of the license
15 applicant, license holder, or another person, or that such disclosure
16 would identify a confidential informant, or that such disclosure is
17 contrary to any agreement entered into by the department that
18 provides for the reciprocal exchange of information with other
19 government agencies, which agreement requires confidentiality with
20 respect to such information unless such information is required to be
21 disclosed to the license applicant or license holder by the order of
22 any court;

23 (c) Publishing statistics so classified as to prevent the
24 identification of particular licensing information;

25 (d) Disclosing licensing information for official purposes only,
26 to the governor or attorney general, or to any state agency, or to
27 any committee or subcommittee of the legislature dealing with matters
28 of taxation, revenue, trade, commerce, the control of industry or the
29 professions, or licensing;

30 (e) Permitting the department's records to be audited and
31 examined by the proper state officer, his or her agents and
32 employees;

33 (f) Disclosing any licensing information to a peace officer as
34 defined in RCW 9A.04.110 or county prosecuting attorney, for official
35 purposes. The disclosure may be made only (~~in response to a search~~
36 ~~warrant, subpoena, or other court order, unless the disclosure is~~)
37 for the purpose of (~~criminal tax or license~~) review, investigation,
38 or enforcement activities related to a license or license
39 application. A peace officer or county prosecuting attorney who
40 receives the licensing information may disclose that licensing

1 information only (~~for use in the investigation and a related court~~
2 ~~proceeding, or in the court proceeding for which the licensing~~
3 ~~information originally was sought~~) in conformance with restrictions
4 found in this section;

5 (g) Disclosing, in a manner that is not associated with other
6 licensing information, the name of a license applicant or license
7 holder, entity type, registered trade name, business address, mailing
8 address, unified business identifier number, list of licenses issued
9 to a person through the business licensing system established in this
10 chapter and their issuance and expiration dates, and the dates of
11 opening of a business. This subsection may not be construed as giving
12 authority to the department to give, sell, or provide access to any
13 list of persons for any commercial purpose;

14 (h) Disclosing licensing information that is also maintained by
15 another Washington state or local governmental agency as a public
16 record available for inspection and copying under the provisions of
17 chapter 42.56 RCW or is a document maintained by a court of record
18 and is not otherwise prohibited from disclosure;

19 (i) Disclosing any licensing information when the disclosure is
20 specifically authorized under any other section of the Revised Code
21 of Washington;

22 (j) Disclosing licensing information to the proper officer of the
23 licensing or tax department of any city, town, or county of this
24 state, for official purposes. If the licensing information does not
25 relate to a license issued by the city, town, or county requesting
26 the licensing information, disclosure may be made only if the laws of
27 the requesting city, town, or county grants substantially similar
28 privileges to the proper officers of this state; or

29 (k) Disclosing licensing information to the federal government
30 for official purposes.

31 (4) Notwithstanding anything to the contrary in this section, a
32 state agency or local government agency may disclose licensing
33 information relating to a license issued on its behalf by the
34 department pursuant to this chapter if the disclosure is authorized
35 by another statute, local law, or administrative rule.

36 (5) The department, any other state agency, or local government
37 may refuse to disclose licensing information that is otherwise
38 disclosable under subsection (3) of this section if such disclosure
39 would violate federal law or any information sharing agreement
40 between the state or local government and federal government.

1 (6) Any person acquiring knowledge of any licensing information
2 in the course of his or her employment with the department and any
3 person acquiring knowledge of any licensing information as provided
4 under subsection (3)(d), (e), (f), (j), or (k) of this section, who
5 discloses any such licensing information to another person not
6 entitled to knowledge of such licensing information under the
7 provisions of this section, is guilty of a misdemeanor. If the person
8 guilty of such violation is an officer or employee of the state, such
9 person must forfeit such office or employment and is incapable of
10 holding any public office or employment in this state for a period of
11 two years thereafter.

12 **Sec. 3.** RCW 82.02.210 and 2007 c 6 s 105 are each amended to
13 read as follows:

14 (1) It is the intent of the legislature that Washington join as a
15 member state in the streamlined sales and use tax agreement referred
16 to in chapter 82.58 RCW. The agreement provides for a simpler and
17 more uniform sales and use tax structure among states that have sales
18 and use taxes. The intent of the legislature is to bring Washington's
19 sales and use tax system into compliance with the agreement so that
20 Washington may join as a member state and have a voice in the
21 development and administration of the system, and to substantially
22 reduce the burden of tax compliance on sellers.

23 (2) Chapter 168, Laws of 2003 does not include changes to
24 Washington law that may be required in the future and that are not
25 fully developed under the agreement. These include, but are not
26 limited to, changes relating to online registration, reporting, and
27 remitting of payments by businesses for sales and use tax purposes,
28 monetary allowances for sellers and their agents, sourcing, and
29 amnesty for businesses registering under the agreement.

30 (3) It is the intent of the legislature that the provisions of
31 this title relating to the administration and collection of state and
32 local sales and use taxes be interpreted and applied consistently
33 with the agreement.

34 (4) The department of revenue shall report to the fiscal
35 committees of the legislature (~~on January 1, 2004, and each January~~
36 ~~1st thereafter, on the development of the agreement and shall~~
37 ~~recommend changes to the sales and use tax structure and propose~~
38 ~~legislation as may be necessary to keep Washington in compliance with~~
39 ~~the agreement~~)) by January 1st of the year immediately following any

1 year during which the streamlined sales and use tax agreement is
2 amended, if legislation is required to keep Washington in compliance
3 with the agreement.

4 **Sec. 4.** RCW 82.04.299 and 2020 c 2 s 4 are each amended to read
5 as follows:

6 (1) (a) Beginning with business activities occurring on or after
7 April 1, 2020, in addition to the taxes imposed under RCW
8 82.04.290(2), a workforce education investment surcharge is imposed
9 on select advanced computing businesses. The surcharge is equal to
10 the gross income of the business subject to the tax under RCW
11 82.04.290(2), multiplied by the rate of 1.22 percent.

12 (b) Except as provided in (e) of this subsection (1), in no case
13 will the combined surcharge imposed under this subsection (1) paid by
14 all members of an affiliated group be more than nine million dollars
15 annually.

16 (c) For persons subject to the surcharge imposed under this
17 subsection (1) that report under one or more tax classifications, the
18 surcharge applies only to business activities taxed under RCW
19 82.04.290(2).

20 (d) The surcharge imposed under this subsection (1) must be
21 reported and paid on a quarterly basis in a manner as required by the
22 department. Returns and amounts payable under this subsection (1) are
23 due by the last day of the month immediately following the end of the
24 reporting period covered by the return. All other taxes must be
25 reported and paid as required under RCW 82.32.045.

26 (e) (i) To aid in the effective administration of the surcharge in
27 this subsection (1), the department may require persons believed to
28 be engaging in advanced computing or affiliated with a person
29 believed to be engaging in advanced computing to disclose whether
30 they are a member of an affiliated group and, if so, to identify all
31 other members of the affiliated group subject to the surcharge.

32 (ii) If the department establishes, by clear, cogent, and
33 convincing evidence, that one or more members of an affiliated group,
34 with intent to evade the surcharge under this subsection (1), failed
35 to fully comply with this subsection (1)(e), the department must
36 assess against that person, or those persons collectively, a penalty
37 equal to fifty percent of the amount of the total surcharge payable
38 by all members of that affiliated group for the calendar year during
39 which the person or persons failed to fully comply with this

1 subsection (1)(e). The penalty under this subsection (1)(e) is in
2 lieu of and not in addition to the evasion penalty under RCW
3 82.32.090(7).

4 (f) For the purposes of this subsection (1) the following
5 definitions apply:

6 (i) "Advanced computing" means designing or developing computer
7 software or computer hardware, whether directly or contracting with
8 another person, including ~~((modifications))~~: Modifications to
9 computer software or computer hardware~~((r))~~; cloud computing
10 services~~((r))~~; or operating ~~((an—online))~~ as a marketplace
11 facilitator as defined by RCW 82.08.0531, an online search engine, or
12 online social networking platform;

13 (ii) "Affiliate" and "affiliated" means a person that directly or
14 indirectly, through one or more intermediaries, controls, is
15 controlled by, or is under common control with another person;

16 (iii) "Affiliated group" means a group of two or more persons
17 that are affiliated with each other;

18 (iv) "Cloud computing services" means on-demand delivery of
19 computing resources, such as networks, servers, storage,
20 applications, and services, over the internet;

21 (v) "Control" means the possession, directly or indirectly, of
22 more than fifty percent of the power to direct or cause the direction
23 of the management and policies of a person, whether through the
24 ownership of voting shares, by contract, or otherwise; and

25 (vi) "Select advanced computing business" means a person who is a
26 member of an affiliated group with at least one member of the
27 affiliated group engaging in the business of advanced computing, and
28 the affiliated group has worldwide gross revenue of more than twenty-
29 five billion dollars during the immediately preceding calendar year.
30 A person who is primarily engaged within this state in the provision
31 of commercial mobile service, as that term is defined in 47 U.S.C.
32 Sec. 332(d)(1), shall not be considered a select advanced computing
33 business. A person who is primarily engaged in this state in the
34 operation and provision of access to transmission facilities and
35 infrastructure that the person owns or leases for the transmission of
36 voice, data, text, sound, and video using wired telecommunications
37 networks shall not be considered a select advanced computing
38 business. A person that is primarily engaged in business as a
39 "financial institution" as defined in RCW 82.04.29004, as that
40 section existed on January 1, 2020, shall not be considered a select

1 advanced computing business. For purposes of this subsection
2 (1)(f)(vi), "primarily" is determined based on gross income of the
3 business.

4 (2) The workforce education investment surcharge under this
5 section does not apply to any hospital as defined in RCW 70.41.020,
6 including any hospital that comes within the scope of chapter 71.12
7 RCW if the hospital is also licensed under chapter 70.41 RCW.

8 (3) Revenues from the surcharge under this section must be
9 deposited directly into the workforce education investment account
10 established in RCW 43.79.195.

11 (4) The department has the authority to determine through an
12 audit or other investigation whether a person is subject to the
13 surcharge imposed in this section.

14 **Sec. 5.** RCW 82.08.025661 and 2016 c 191 s 2 are each amended to
15 read as follows:

16 (1) Subject to the requirements of this section, the tax levied
17 by RCW 82.08.020 does not apply to:

18 (a) Charges for labor and services rendered in respect to the
19 constructing of new buildings, made to: (i) An eligible maintenance
20 repair operator engaged in the maintenance of airplanes; or (ii) a
21 port district, political subdivision, or municipal corporation, if
22 the new building is to be leased to an eligible maintenance repair
23 operator engaged in the maintenance of airplanes;

24 (b) Sales of tangible personal property that will be incorporated
25 as an ingredient or component of such buildings during the course of
26 the constructing; or

27 (c) Charges made for labor and services rendered in respect to
28 installing, during the course of constructing such buildings,
29 building fixtures not otherwise eligible for the exemption under RCW
30 82.08.02565.

31 (2)(a) The exemption in this section is in the form of a
32 remittance. A buyer claiming an exemption from the tax in the form of
33 a remittance under this section must pay all applicable state and
34 local sales taxes imposed under RCW 82.08.020 and chapter 82.14 RCW
35 on all purchases qualifying for the exemption.

36 (b) The department must determine eligibility under this section
37 based on information provided by the buyer and through audit and
38 other administrative records. The buyer may on a quarterly basis
39 submit an application, in a form and manner as required by the

1 department by rule, specifying the amount of exempted tax claimed and
2 the qualifying purchases or acquisitions for which the exemption is
3 claimed. The buyer must retain, in adequate detail to enable the
4 department to determine whether the equipment or construction meets
5 the criteria under this section: Invoices; proof of tax paid;
6 documents describing the location and size of new structures; and
7 construction invoices and documents.

8 (c) The department must on a quarterly basis remit exempted
9 amounts to qualifying persons who submitted applications during the
10 previous quarter.

11 (d) A person may request a remittance for state sales and use
12 taxes after the aircraft maintenance and repair station has been
13 operationally complete for four years, but not sooner than December
14 1, 2021. However, the department may not remit the state portion of
15 sales and use taxes if the person did not report at least one hundred
16 average employment positions to the employment security department
17 for (~~September~~) October 1, 2020, through September (~~(4)~~) 30, 2021,
18 with an average annualized wage of eighty thousand dollars. A person
19 must provide the department with the unemployment insurance number
20 provided to the employment security department for the establishment.

21 (e) A person may request a remittance for local sales and use
22 taxes on or after July 1, 2016.

23 (3) In order to qualify under this section before starting
24 construction, the port district, political subdivision, or municipal
25 corporation must have entered into an agreement with an eligible
26 maintenance repair operator to build such a facility. A person
27 claiming the exemption under this section is subject to all the
28 requirements of chapter 82.32 RCW. In addition, the person must file
29 a complete annual report with the department under RCW 82.32.534.

30 (4) The definitions in this subsection apply throughout this
31 section unless the context clearly requires otherwise.

32 (a) "Eligible maintenance repair operator" means a person
33 classified by the federal aviation administration as a federal
34 aviation regulation part 145 certificated repair station and located
35 in an international airport owned by a county with a population
36 greater than one million five hundred thousand.

37 (b) "Operationally complete" means constructed to the point of
38 being functionally capable of hosting the repair and maintenance of
39 airplanes.

40 (5) This section expires January 1, 2027.

1 **Sec. 6.** RCW 82.08.9997 and 2015 c 207 s 4 are each amended to
2 read as follows:

3 The taxes imposed by this chapter do not apply to the retail sale
4 of marijuana, useable marijuana, marijuana concentrates, and
5 marijuana-infused products covered by an agreement entered into under
6 RCW 43.06.490. "Marijuana," "useable marijuana," "marijuana
7 concentrates," and "marijuana-infused products" have the same meaning
8 as defined in RCW 69.50.101. The provisions of RCW 82.32.805 and
9 82.32.808 do not apply to this section.

10 **Sec. 7.** RCW 82.12.02685 and 2021 c 250 s 2 are each amended to
11 read as follows:

12 (1) The provisions of this chapter shall not apply in respect to
13 the use of tangible personal property that becomes an ingredient or
14 component of buildings or other structures, in which at least 50
15 percent of housing units in the development are used as farmworker
16 housing, during the course of constructing, repairing, decorating, or
17 improving the buildings or other structures by any person.

18 (2) The exemption provided in this section for farmworker housing
19 provided on a year-round basis only applies if that housing is built
20 to the current building code for single-family or multifamily
21 dwellings according to the state building code, chapter 19.27 RCW.

22 (3) Any farmworker housing built under this section shall be used
23 according to this section for at least five consecutive years from
24 the date the housing is approved for occupancy, or the full amount of
25 a tax otherwise due shall be immediately due and payable together
26 with interest, but not penalties, from the date the housing is
27 approved for occupancy until the date of payment. If at any time
28 farmworker housing ceases to be used in the manner specified in
29 subsection (2) of this section, the full amount of tax otherwise due
30 shall be immediately due and payable with interest, but not
31 penalties, from the date the housing ceases to be used as farmworker
32 housing until the date of payment.

33 (4) The exemption provided in this section shall not apply to
34 housing built for the occupancy of an employer, family members of an
35 employer, or persons owning stock or shares in a farm partnership or
36 corporation business.

37 (5) If during any agricultural season in the qualifying five
38 years under subsection (3) of this section the housing is occupied by

1 a farmworker who does not have an H-2A visa, then the housing will be
2 considered not to be exclusively built for workers on an H-2A visa.

3 (6) The definitions in RCW 82.08.02745(6) apply to this section.

4 (7) This section expires January 1, 2032.

5 **Sec. 8.** RCW 82.12.9997 and 2015 c 207 s 5 are each amended to
6 read as follows:

7 The taxes imposed by this chapter do not apply to the use of
8 marijuana, useable marijuana, marijuana concentrates, and marijuana-
9 infused products covered by an agreement entered into under RCW
10 43.06.490. "Marijuana," "useable marijuana," "marijuana
11 concentrates," and "marijuana-infused products" have the same meaning
12 as defined in RCW 69.50.101. The provisions of RCW 82.32.805 and
13 82.32.808 do not apply to this section.

14 **Sec. 9.** RCW 82.32.330 and 2021 c 145 s 18 are each amended to
15 read as follows:

16 (1) For purposes of this section:

17 (a) "Disclose" means to make known to any person in any manner
18 whatever a return or tax information;

19 (b) "Return" means a tax or information return or claim for
20 refund required by, or provided for or permitted under, the laws of
21 this state which is filed with the department of revenue by, on
22 behalf of, or with respect to a person, and any amendment or
23 supplement thereto, including supporting schedules, attachments, or
24 lists that are supplemental to, or part of, the return so filed;

25 (c) "Tax information" means (i) a taxpayer's identity, (ii) the
26 nature, source, or amount of the taxpayer's income, payments,
27 receipts, deductions, exemptions, credits, assets, liabilities, net
28 worth, tax liability deficiencies, overassessments, or tax payments,
29 whether taken from the taxpayer's books and records or any other
30 source, (iii) whether the taxpayer's return was, is being, or will be
31 examined or subject to other investigation or processing, (iv) a part
32 of a written determination that is not designated as a precedent and
33 disclosed pursuant to RCW 82.32.410, or a background file document
34 relating to a written determination, and (v) other data received by,
35 recorded by, prepared by, furnished to, or collected by the
36 department of revenue with respect to the determination of the
37 existence, or possible existence, of liability, or the amount
38 thereof, of a person under the laws of this state for a tax, penalty,

1 interest, fine, forfeiture, or other imposition, or offense. However,
2 data, material, or documents that do not disclose information related
3 to a specific or identifiable taxpayer do not constitute tax
4 information under this section. Except as provided by RCW 82.32.410,
5 nothing in this chapter requires any person possessing data,
6 material, or documents made confidential and privileged by this
7 section to delete information from such data, material, or documents
8 so as to permit its disclosure;

9 (d) "State agency" means every Washington state office,
10 department, division, bureau, board, commission, or other state
11 agency;

12 (e) "Taxpayer identity" means the taxpayer's name, address,
13 telephone number, registration number, or any combination thereof, or
14 any other information disclosing the identity of the taxpayer; and

15 (f) "Department" means the department of revenue or its officer,
16 agent, employee, or representative.

17 (2) Returns and tax information are confidential and privileged,
18 and except as authorized by this section, neither the department of
19 revenue nor any other person may disclose any return or tax
20 information.

21 (3) This section does not prohibit the department of revenue
22 from:

23 (a) Disclosing such return or tax information in a civil or
24 criminal judicial proceeding or an administrative proceeding:

25 (i) In respect of any tax imposed under the laws of this state if
26 the taxpayer or its officer or other person liable under this title
27 or chapter 83.100 RCW is a party in the proceeding;

28 (ii) In which the taxpayer about whom such return or tax
29 information is sought and another state agency are adverse parties in
30 the proceeding; or

31 (iii) Brought by the department under RCW 18.27.040 or 19.28.071;

32 (b) Disclosing, subject to such requirements and conditions as
33 the director prescribes by rules adopted pursuant to chapter 34.05
34 RCW, such return or tax information regarding a taxpayer to such
35 taxpayer or to such person or persons as that taxpayer may designate
36 in a request for, or consent to, such disclosure, or to any other
37 person, at the taxpayer's request, to the extent necessary to comply
38 with a request for information or assistance made by the taxpayer to
39 such other person. However, tax information not received from the
40 taxpayer must not be so disclosed if the director determines that

1 such disclosure would compromise any investigation or litigation by
2 any federal, state, or local government agency in connection with the
3 civil or criminal liability of the taxpayer or another person, or
4 that such disclosure would identify a confidential informant, or that
5 such disclosure is contrary to any agreement entered into by the
6 department that provides for the reciprocal exchange of information
7 with other government agencies which agreement requires
8 confidentiality with respect to such information unless such
9 information is required to be disclosed to the taxpayer by the order
10 of any court;

11 (c) Disclosing the name of a taxpayer against whom a warrant
12 under RCW 82.32.210 has been either issued or filed and remains
13 outstanding for a period of at least ten working days. The department
14 is not required to disclose any information under this subsection if
15 a taxpayer has entered a deferred payment arrangement with the
16 department for the payment of a warrant that has not been filed and
17 is making payments upon such deficiency that will fully satisfy the
18 indebtedness within twelve months;

19 (d) Publishing statistics so classified as to prevent the
20 identification of particular returns or reports or items thereof;

21 (e) Disclosing such return or tax information, for official
22 purposes only, to the governor or attorney general, or to any state
23 agency, or to any committee or subcommittee of the legislature
24 dealing with matters of taxation, revenue, trade, commerce, the
25 control of industry or the professions;

26 (f) Permitting the department of revenue's records to be audited
27 and examined by the proper state officer, his or her agents and
28 employees;

29 (g) Disclosing any such return or tax information to a peace
30 officer as defined in RCW 9A.04.110 or county prosecuting attorney,
31 for official purposes. The disclosure may be made only in response to
32 a search warrant, subpoena, or other court order, unless the
33 disclosure is for the purpose of criminal tax enforcement. A peace
34 officer or county prosecuting attorney who receives the return or tax
35 information may disclose that return or tax information only for use
36 in the investigation and a related court proceeding, or in the court
37 proceeding for which the return or tax information originally was
38 sought;

39 (h) Disclosing any such return or tax information to the proper
40 officer of the internal revenue service of the United States, the

1 Canadian government or provincial governments of Canada, or to the
2 proper officer of the tax department of any state or city or town or
3 county, for official purposes, but only if the statutes of the United
4 States, Canada or its provincial governments, or of such other state
5 or city or town or county, as the case may be, grants substantially
6 similar privileges to the proper officers of this state;

7 (i) Disclosing any such return or tax information to the United
8 States department of justice, including the bureau of alcohol,
9 tobacco, firearms and explosives, the department of defense, the
10 immigration and customs enforcement and the customs and border
11 protection agencies of the United States department of homeland
12 security, the United States coast guard, the alcohol and tobacco tax
13 and trade bureau of the United States department of treasury, and the
14 United States department of transportation, or any authorized
15 representative of these federal agencies, for official purposes;

16 (j) Publishing or otherwise disclosing the text of a written
17 determination designated by the director as a precedent pursuant to
18 RCW 82.32.410;

19 (k) Disclosing, in a manner that is not associated with other tax
20 information, the taxpayer name, entity type, business address,
21 mailing address, revenue tax registration numbers, reseller permit
22 numbers and the expiration date and status of such permits, North
23 American industry classification system or standard industrial
24 classification code of a taxpayer, and the dates of opening and
25 closing of business. This subsection may not be construed as giving
26 authority to the department to give, sell, or provide access to any
27 list of taxpayers for any commercial purpose;

28 (l) Disclosing such return or tax information that is also
29 maintained by another Washington state or local governmental agency
30 as a public record available for inspection and copying under the
31 provisions of chapter 42.56 RCW or is maintained by a court of record
32 and is not otherwise prohibited from disclosure;

33 (m) Disclosing such return or tax information to the United
34 States department of agriculture for the limited purpose of
35 investigating food stamp fraud by retailers;

36 (n) Disclosing to a financial institution, escrow company, or
37 title company, in connection with specific real property that is the
38 subject of a real estate transaction, current amounts due the
39 department for a filed tax warrant, judgment, or lien against the
40 real property;

1 (o) Disclosing to a person against whom the department has
2 asserted liability as a successor under RCW 82.32.140 return or tax
3 information pertaining to the specific business of the taxpayer to
4 which the person has succeeded;

5 (p) Disclosing real estate excise tax affidavit forms filed under
6 RCW 82.45.150 in the possession of the department, including real
7 estate excise tax affidavit forms for transactions exempt or
8 otherwise not subject to tax;

9 (q) Disclosing to local taxing jurisdictions the identity of
10 sellers granted relief under RCW 82.32.430(5)(b)(i) and the period
11 for which relief is granted;

12 (r) Disclosing such return or tax information to the court in
13 respect to the department's application for a subpoena under RCW
14 82.32.117;

15 (s) Disclosing to a person against whom the department has
16 asserted liability under RCW 83.100.120 return or tax information
17 pertaining to that person's liability for tax under chapter 83.100
18 RCW;

19 (t) Disclosing such return or tax information to the streamlined
20 sales tax governing board, member states of the streamlined sales tax
21 governing board, or authorized representatives of such board or
22 states, for the limited purposes of:

23 (i) Conducting on behalf of member states sales and use tax
24 audits of taxpayers; or

25 (ii) Auditing certified service providers or certified automated
26 systems providers;

27 (u) Disclosing any such return or tax information when the
28 disclosure is specifically authorized under any other section of the
29 Revised Code of Washington;

30 (v) Disclosing to an individual to whom the department has issued
31 an assessment under RCW 82.32.145 for unpaid trust fund taxes of a
32 defunct or insolvent entity, return or tax information of that entity
33 pertaining to those unpaid trust fund taxes; (~~or~~)

34 (w) Disclosing any such return or tax information pursuant to a
35 federal grand jury subpoena or subpoena issued by a United States
36 attorney, only to be used in the criminal investigation and related
37 court proceedings, or in the court proceeding for which the return or
38 tax information originally was sought; or

39 (x) Disclosing any return or tax information to an individual
40 when the return or tax information is related directly to that

1 person's individual liability, as part of a marital community, for
2 amounts due under a warrant issued under the authority of RCW
3 59.30.090 or 82.32.210.

4 (4) (a) The department may disclose return or taxpayer information
5 to a person under investigation or during any court or administrative
6 proceeding against a person under investigation as provided in this
7 subsection (4). The disclosure must be in connection with the
8 department's official duties relating to an audit, collection
9 activity, or a civil or criminal investigation. The disclosure may
10 occur only when the person under investigation and the person in
11 possession of data, materials, or documents are parties to the return
12 or tax information to be disclosed. The department may disclose
13 return or tax information such as invoices, contracts, bills,
14 statements, resale or exemption certificates, or checks. However, the
15 department may not disclose general ledgers, sales or cash receipt
16 journals, check registers, accounts receivable/payable ledgers,
17 general journals, financial statements, expert's workpapers, income
18 tax returns, state tax returns, tax return workpapers, or other
19 similar data, materials, or documents.

20 (b) Before disclosure of any tax return or tax information under
21 this subsection (4), the department must, through written
22 correspondence, inform the person in possession of the data,
23 materials, or documents to be disclosed. The correspondence must
24 clearly identify the data, materials, or documents to be disclosed.
25 The department may not disclose any tax return or tax information
26 under this subsection (4) until the time period allowed in (c) of
27 this subsection has expired or until the court has ruled on any
28 challenge brought under (c) of this subsection.

29 (c) The person in possession of the data, materials, or documents
30 to be disclosed by the department has twenty days from the receipt of
31 the written request required under (b) of this subsection to petition
32 the superior court of the county in which the petitioner resides for
33 injunctive relief. The court must limit or deny the request of the
34 department if the court determines that:

35 (i) The data, materials, or documents sought for disclosure are
36 cumulative or duplicative, or are obtainable from some other source
37 that is more convenient, less burdensome, or less expensive;

38 (ii) The production of the data, materials, or documents sought
39 would be unduly burdensome or expensive, taking into account the
40 needs of the department, the amount in controversy, limitations on

1 the petitioner's resources, and the importance of the issues at
2 stake; or

3 (iii) The data, materials, or documents sought for disclosure
4 contain trade secret information that, if disclosed, could harm the
5 petitioner.

6 (d) The department must reimburse reasonable expenses for the
7 production of data, materials, or documents incurred by the person in
8 possession of the data, materials, or documents to be disclosed.

9 (e) Requesting information under (b) of this subsection that may
10 indicate that a taxpayer is under investigation does not constitute a
11 disclosure of tax return or tax information under this section.

12 (5) Service of a subpoena issued under RCW 82.32.117 does not
13 constitute a disclosure of return or tax information under this
14 section. Notwithstanding anything else to the contrary in this
15 section, a person served with a subpoena under RCW 82.32.117 may
16 disclose the existence or content of the subpoena to that person's
17 legal counsel.

18 (6) Any person acquiring knowledge of any return or tax
19 information in the course of his or her employment with the
20 department of revenue and any person acquiring knowledge of any
21 return or tax information as provided under subsection (3) (e), (f),
22 (g), (h), (i), (m), (v), and (w) of this section, who discloses any
23 such return or tax information to another person not entitled to
24 knowledge of such return or tax information under the provisions of
25 this section, is guilty of a misdemeanor. If the person guilty of
26 such violation is an officer or employee of the state, such person
27 must forfeit such office or employment and is incapable of holding
28 any public office or employment in this state for a period of two
29 years thereafter.

30 **Sec. 10.** RCW 82.32.534 and 2021 c 145 s 19 are each amended to
31 read as follows:

32 (1)(a)(i) Beginning in calendar year 2018, every person claiming
33 a tax preference that requires an annual tax performance report under
34 this section must file a complete annual report with the department.
35 The report is due by May 31st of the year following any calendar year
36 in which a person becomes eligible to claim the tax preference that
37 requires a report under this section.

38 (ii) If the tax preference is a deferral of tax, the first annual
39 tax performance report must be filed by May 31st of the calendar year

1 following the calendar year in which the investment project is
2 certified by the department as operationally complete(~~(, and an)~~). An
3 annual tax performance report must also be filed by May 31st of each
4 (~~(of the seven)~~) succeeding calendar year(~~(s)~~) through the calendar
5 year in which the deferred taxes are fully repaid or are immediately
6 due and payable because the recipient of the deferral is no longer
7 eligible for the deferral.

8 (iii) The department may extend the due date for timely filing of
9 annual reports under this section as provided in RCW 82.32.590.

10 (b) The report must include information detailing employment and
11 wages for employment positions in Washington for the year that the
12 tax preference was claimed. However, persons engaged in manufacturing
13 commercial airplanes or components of such airplanes may report
14 employment and wage information per job at the manufacturing site for
15 the year that the tax preference was claimed. The report must not
16 include names of employees. The report must also detail employment by
17 the total number of full-time, part-time, and temporary positions for
18 the year that the tax preference was claimed. In lieu of reporting
19 employment and wage data required under this subsection, taxpayers
20 may instead opt to allow the employment security department to
21 release the same employment and wage information from unemployment
22 insurance records to the department and the joint legislative audit
23 and review committee. This option is intended to reduce the reporting
24 burden for taxpayers, and each taxpayer electing to use this option
25 must affirm that election in accordance with procedures approved by
26 the employment security department.

27 (c) Persons receiving the benefit of the tax preference provided
28 by RCW 82.16.0421 or claiming any of the tax preferences provided by
29 RCW 82.04.2909, 82.04.4481, 82.08.805, 82.12.805, or 82.12.022(5)
30 must indicate on the annual report the quantity of product produced
31 in this state during the time period covered by the report.

32 (d) If a person filing a report under this section did not file a
33 report with the department in the previous calendar year, the report
34 filed under this section must also include employment and wage
35 information for the calendar year immediately preceding the calendar
36 year for which a tax preference was claimed.

37 (2) (a) As part of the annual report, the department and the joint
38 legislative audit and review committee may request additional
39 information necessary to measure the results of, or determine
40 eligibility for, the tax preference.

1 (b) The report must include the amount of the tax preference
2 claimed for the calendar year covered by the report. For a person
3 that claimed an exemption provided in RCW 82.08.025651 or
4 82.12.025651, the report must include the amount of tax exempted
5 under those sections in the prior calendar year for each general area
6 or category of research and development for which exempt machinery
7 and equipment and labor and services were acquired in the prior
8 calendar year.

9 (3) Other than information requested under subsection (2)(a) of
10 this section, the information contained in an annual report filed
11 under this section is not subject to the confidentiality provisions
12 of RCW 82.32.330 and may be disclosed to the public upon request.

13 (4)(a) Except as otherwise provided by law, if a person claims a
14 tax preference that requires an annual report under this section but
15 fails to submit a complete report by the due date or any extension
16 under RCW 82.32.590, the department must declare:

17 (i) Thirty-five percent of the amount of the tax preference
18 claimed for the previous calendar year to be immediately due and
19 payable;

20 (ii) An additional fifteen percent of the amount of the tax
21 preference claimed for the previous calendar year to be immediately
22 due and payable if the person has previously been assessed under this
23 subsection (4) for failure to submit a report under this section for
24 the same tax preference; and

25 (iii) If the tax preference is a deferral of tax, the amount
26 immediately due under this subsection is (~~twelve and one-half~~
27 ~~percent of~~) the deferred tax divided by the number of years in the
28 repayment period. If the economic benefits of the deferral are passed
29 to a lessee, the lessee is responsible for payment to the extent the
30 lessee has received the economic benefit.

31 (b) The department may not assess interest or penalties on
32 amounts due under this subsection.

33 (5) The department must use the information from this section to
34 prepare summary descriptive statistics by category. No fewer than
35 three taxpayers may be included in any category. The department must
36 report these statistics to the legislature each year by December
37 31st.

38 (6) For the purposes of this section:

39 (a) "Person" has the meaning provided in RCW 82.04.030 and also
40 includes the state and its departments and institutions.

1 (b) "Tax preference" has the meaning provided in RCW 43.136.021
2 and includes only the tax preferences requiring a report under this
3 section.

4 **Sec. 11.** RCW 82.32.790 and 2019 c 449 s 2 are each amended to
5 read as follows:

6 (1) (a) (~~Section 2, chapter 449, Laws of 2019, sections~~)
7 Sections 510, 512, 514, 516, 518, 520, 522, and 524, chapter 37, Laws
8 of 2017 3rd sp. sess., sections 9, 13, 17, 22, 24, 30, 32, and 45,
9 chapter 135, Laws of 2017, sections 104, 110, 117, 123, 125, 129,
10 131, and 150, chapter 114, Laws of 2010, and sections 1, 2, 3, and 5
11 through 10, chapter 149, Laws of 2003 are contingent upon the siting
12 and commercial operation of a significant semiconductor microchip
13 fabrication facility in the state of Washington by January 1, 2024.

14 (b) For the purposes of this section:

15 (i) "Commercial operation" means the same as "commencement of
16 commercial production" as used in RCW 82.08.965.

17 (ii) "Semiconductor microchip fabrication" means "manufacturing
18 semiconductor microchips" as defined in RCW 82.04.426.

19 (iii) "Significant" means the combined investment of new
20 buildings and new machinery and equipment in the buildings, at the
21 commencement of commercial production, will be at least one billion
22 dollars.

23 (2) The sections referenced in subsection (1) of this section
24 take effect the first day of the month in which a contract for the
25 construction of a significant semiconductor fabrication facility is
26 signed, if the contract is signed and received by January 1, 2024, as
27 determined by the director of the department of revenue.

28 (3) (a) The department of revenue must provide notice of the
29 effective date of the sections referenced in subsection (1) of this
30 section to affected taxpayers, the legislature, and others as deemed
31 appropriate by the department.

32 (b) If, after making a determination that a contract has been
33 signed and the sections referenced in subsection (1) of this section
34 are effective, the department discovers that commencement of
35 commercial production did not take place within three years of the
36 date the contract was signed, the department must make a
37 determination that chapter 149, Laws of 2003 is no longer effective,
38 and all taxes that would have been otherwise due are deemed deferred
39 taxes and are immediately assessed and payable from any person

1 reporting tax under RCW 82.04.240(2) or claiming an exemption or
2 credit under RCW 82.04.426, 82.04.448, 82.08.965, 82.12.965,
3 82.08.970, 82.12.970, or 84.36.645. The department is not authorized
4 to make a second determination regarding the effective date of the
5 sections referenced in subsection (1) of this section.

6 (4)(a) This section expires January 1, 2024, if the contingency
7 in subsection (2) of this section does not occur by January 1, 2024,
8 as determined by the department.

9 (b) The department must provide written notice of the expiration
10 date of this section and the sections referenced in subsection (1) of
11 this section to affected taxpayers, the legislature, and others as
12 deemed appropriate by the department.

13 **Sec. 12.** RCW 82.62.030 and 2007 c 485 s 3 are each amended to
14 read as follows:

15 (1)(a) A person shall be allowed a credit against the tax due
16 under chapter 82.04 RCW as provided in this section. The credit shall
17 equal: (i) Four thousand dollars for each qualified employment
18 position with wages and benefits greater than forty thousand dollars
19 annually that is directly created in an eligible business project and
20 (ii) two thousand dollars for each qualified employment position with
21 wages and benefits less than or equal to forty thousand dollars
22 annually that is directly created in an eligible business project.

23 (b) For purposes of calculating the amount of credit under (a) of
24 this subsection with respect to qualified employment positions as
25 defined in RCW 82.62.010(8)(a)(ii):

26 (i) In determining the number of qualified employment positions,
27 a fractional amount is rounded down to the nearest whole number; and

28 (ii) Wages and benefits for each qualified employment position
29 shall be equal to the quotient derived by dividing: (A) The sum of
30 the wages and benefits earned for the four consecutive full calendar
31 quarter period for which a credit under this chapter is earned by all
32 of the person's new seasonal employees hired during that period; by
33 (B) the number of qualified employment positions plus any fractional
34 amount subject to rounding as provided under (b)(i) of this
35 subsection. For purposes of this chapter, a credit is earned for the
36 four consecutive full calendar quarters after the calendar quarter
37 during which the first qualified employment position is filled.

38 (2) The department shall keep a running total of all credits
39 allowed under this chapter during each fiscal year. The department

1 shall not allow any credits which would cause the total to exceed
2 seven million five hundred thousand dollars in any fiscal year. If
3 all or part of an application for credit is disallowed under this
4 subsection, the disallowed portion shall be carried over to the next
5 fiscal year. However, the carryover into the next fiscal year is only
6 permitted to the extent that the cap for the next fiscal year is not
7 exceeded.

8 (3) No recipient may use the tax credits to decertify a union or
9 to displace existing jobs in any community in the state.

10 (4) (a) The credit may be used against any tax due under chapter
11 82.04 RCW, and, except as otherwise provided under this subsection
12 (4), may be carried over until used.

13 (b) Credits earned expire the first day of January of the year
14 that is six years from the later of the year that:

15 (i) The department is notified by the recipient, or a
16 representative of the recipient, that the recipient has ceased
17 engaging in business within this state as those terms are defined in
18 chapter 82.04 RCW;

19 (ii) The department closes the recipient's tax reporting account;
20 or

21 (iii) The recipient last claimed the credit on a return filed
22 with the department.

23 (5) No refunds may be granted for unused credits under this
24 section.

25 **Sec. 13.** RCW 84.52.065 and 2019 c 411 s 1 are each amended to
26 read as follows:

27 (1) Except as otherwise provided in this section, subject to the
28 limitations in RCW 84.55.010, in each year the state must levy for
29 collection in the following year for the support of common schools of
30 the state a tax of three dollars and sixty cents per thousand dollars
31 of assessed value upon the assessed valuation of all taxable property
32 within the state adjusted to the state equalized value in accordance
33 with the indicated ratio fixed by the state department of revenue.

34 (2) (a) In addition to the tax authorized under subsection (1) of
35 this section, the state must levy an additional property tax for the
36 support of common schools of the state.

37 (i) For taxes levied for collection in calendar years 2018
38 through 2021, the rate of tax is the rate necessary to bring the
39 aggregate rate for state property tax levies levied under this

1 subsection and subsection (1) of this section to a combined rate of
2 two dollars and forty cents per thousand dollars of assessed value in
3 calendar year 2019 and two dollars and seventy cents per thousand
4 dollars of assessed value in calendar years 2018, 2020, and 2021. The
5 state property tax levy rates provided in this subsection (2)(a)(i)
6 are based upon the assessed valuation of all taxable property within
7 the state adjusted to the state equalized value in accordance with
8 the indicated ratio fixed by the state department of revenue.

9 (ii) For taxes levied for collection in calendar year 2022 and
10 thereafter, the tax authorized under this subsection (2) is subject
11 to the limitations of chapter 84.55 RCW.

12 (b)(i) Except as otherwise provided in this subsection, all taxes
13 collected under this subsection (2) must be deposited into the state
14 general fund.

15 (ii) For fiscal year 2019, taxes collected under this subsection
16 (2) must be deposited into the education legacy trust account for the
17 support of common schools.

18 (3) For taxes levied for collection in calendar years 2019
19 through 2021, the state property taxes levied under subsections (1)
20 and (2) of this section are not subject to the limitations in chapter
21 84.55 RCW.

22 (4) (a) For taxes levied for collection in calendar year 2022 and
23 thereafter, the aggregate rate limit for state property taxes levied
24 under subsections (1) and (2) of this section is three dollars and
25 sixty cents per thousand dollars of assessed value upon the assessed
26 valuation of all taxable property within the state adjusted to the
27 state equalized value in accordance with the indicated ratio fixed by
28 the state department of revenue.

29 (b) If the aggregate rate of state property taxes levied under
30 subsections (1) and (2) of this section for collection in any
31 calendar year after 2021 exceeds \$3.60 per \$1,000 of assessed value,
32 each rate must be reduced on a pro rata basis until the aggregate
33 rate no longer exceeds \$3.60 per \$1,000 of assessed value.

34 (5) For property taxes levied for collection in calendar years
35 2019 through 2021, the rate of tax levied under subsection (1) of
36 this section is the actual rate that was levied for collection in
37 calendar year 2018 under subsection (1) of this section.

38 (6) As used in this section, "the support of common schools"
39 includes the payment of the principal and interest on bonds issued
40 for capital construction projects for the common schools.

1 NEW SECTION. **Sec. 14.** Section 4 of this act applies
2 retroactively to January 1, 2020.

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