

SSB 6346 - S AMD TO S AMD (S-5129.3/26) 691
By Senator Lias

ADOPTED 02/16/2026

1 On page 65, after line 1, insert the following:

2 **"CHAPTER 422, LAWS OF 2025**

3 **Sec. 1001.** RCW 82.04.050 and 2025 c 422 s 101 are each amended
4 to read as follows:

5 (1)(a) "Sale at retail" or "retail sale" means every sale of
6 tangible personal property (including articles produced, fabricated,
7 or imprinted) to all persons irrespective of the nature of their
8 business and including, among others, without limiting the scope
9 hereof, persons who install, repair, clean, alter, improve,
10 construct, or decorate real or personal property of or for consumers
11 other than a sale to a person who:

12 (i) Purchases for the purpose of resale as tangible personal
13 property in the regular course of business without intervening use by
14 such person, but a purchase for the purpose of resale by a regional
15 transit authority under RCW 81.112.300 is not a sale for resale; or

16 (ii) Installs, repairs, cleans, alters, imprints, improves,
17 constructs, or decorates real or personal property of or for
18 consumers, if such tangible personal property becomes an ingredient
19 or component of such real or personal property without intervening
20 use by such person; or

21 (iii) Purchases for the purpose of consuming the property
22 purchased in producing for sale as a new article of tangible personal
23 property or substance, of which such property becomes an ingredient
24 or component or is a chemical used in processing, when the primary
25 purpose of such chemical is to create a chemical reaction directly
26 through contact with an ingredient of a new article being produced
27 for sale; or

28 (iv) Purchases for the purpose of consuming the property
29 purchased in producing ferrosilicon which is subsequently used in
30 producing magnesium for sale, if the primary purpose of such property

1 is to create a chemical reaction directly through contact with an
2 ingredient of ferrosilicon; or

3 (v) Purchases for the purpose of providing the property to
4 consumers as part of competitive telephone service, as defined in RCW
5 82.04.065; or

6 (vi) Purchases for the purpose of satisfying the person's
7 obligations under an extended warranty as defined in subsection (7)
8 of this section, if such tangible personal property replaces or
9 becomes an ingredient or component of property covered by the
10 extended warranty without intervening use by such person.

11 (b) The term includes every sale of tangible personal property
12 that is used or consumed or to be used or consumed in the performance
13 of any activity defined as a "sale at retail" or "retail sale" even
14 though such property is resold or used as provided in (a)(i) through
15 (vi) of this subsection following such use.

16 (c) The term also means every sale of tangible personal property
17 to persons engaged in any business that is taxable under RCW
18 82.04.280(1) (a), (b), and (~~(g)~~) (f), 82.04.290, and 82.04.2908.

19 (2) The term "sale at retail" or "retail sale" includes the sale
20 of or charge made for tangible personal property consumed and/or for
21 labor and services rendered in respect to the following:

22 (a) The installing, repairing, cleaning, altering, imprinting, or
23 improving of tangible personal property of or for consumers,
24 including charges made for the mere use of facilities in respect
25 thereto, but excluding charges made for the use of self-service
26 laundry facilities, and also excluding sales of laundry service to
27 nonprofit health care facilities, and excluding services rendered in
28 respect to live animals, birds and insects;

29 (b) The constructing, repairing, decorating, or improving of new
30 or existing buildings or other structures under, upon, or above real
31 property of or for consumers, including the installing or attaching
32 of any article of tangible personal property therein or thereto,
33 whether or not such personal property becomes a part of the realty by
34 virtue of installation, and also includes the sale of services or
35 charges made for the clearing of land and the moving of earth
36 excepting the mere leveling of land used in commercial farming or
37 agriculture;

38 (c) The constructing, repairing, or improving of any structure
39 upon, above, or under any real property owned by an owner who conveys
40 the property by title, possession, or any other means to the person

1 performing such construction, repair, or improvement for the purpose
2 of performing such construction, repair, or improvement and the
3 property is then reconveyed by title, possession, or any other means
4 to the original owner;

5 (d) The cleaning, fumigating, razing, or moving of existing
6 buildings or structures, but does not include the charge made for
7 janitorial services; and for purposes of this section the term
8 "janitorial services" means those cleaning and caretaking services
9 ordinarily performed by commercial janitor service businesses
10 including, but not limited to, wall and window washing, floor
11 cleaning and waxing, and the cleaning in place of rugs, drapes and
12 upholstery. The term "janitorial services" does not include painting,
13 papering, repairing, furnace or septic tank cleaning, snow removal or
14 sandblasting;

15 (e) Automobile towing and similar automotive transportation
16 services, but not in respect to those required to report and pay
17 taxes under chapter 82.16 RCW;

18 (f) The furnishing of lodging and all other services by a hotel,
19 rooming house, tourist court, motel, trailer camp, and the granting
20 of any similar license to use real property, as distinguished from
21 the renting or leasing of real property, and it is presumed that the
22 occupancy of real property for a continuous period of one month or
23 more constitutes a rental or lease of real property and not a mere
24 license to use or enjoy the same. For the purposes of this
25 subsection, it is presumed that the sale of and charge made for the
26 furnishing of lodging for a continuous period of one month or more to
27 a person is a rental or lease of real property and not a mere license
28 to enjoy the same. For the purposes of this section, it is presumed
29 that the sale of and charge made for the furnishing of lodging
30 offered regularly for public occupancy for periods of less than a
31 month constitutes a license to use or enjoy the property subject to
32 sales and use tax and not a rental or lease of property;

33 (g) The installing, repairing, altering, or improving of digital
34 goods for consumers;

35 (h) Persons taxable under (a), (b), (c), (d), (e), (f), and (g)
36 of this subsection when such sales or charges are for property, labor
37 and services which are used or consumed in whole or in part by such
38 persons in the performance of any activity defined as a "sale at
39 retail" or "retail sale" even though such property, labor and
40 services may be resold after such use or consumption. Nothing

1 contained in this subsection may be construed to modify subsection
2 (1) of this section and nothing contained in subsection (1) of this
3 section may be construed to modify this subsection.

4 (3) The term "sale at retail" or "retail sale" includes the sale
5 of or charge made for personal, business, or professional services
6 including amounts designated as interest, rents, fees, admission, and
7 other service emoluments however designated, received by persons
8 engaging in the following business activities:

9 (a) Abstract, title insurance, and escrow services;

10 (b) Credit bureau services;

11 (c) Automobile parking and storage garage services;

12 (d) Landscape maintenance and horticultural services but
13 excluding (i) horticultural services provided to farmers and (ii)
14 pruning, trimming, repairing, removing, and clearing of trees and
15 brush near electric transmission or distribution lines or equipment,
16 if performed by or at the direction of an electric utility;

17 (e) Service charges associated with tickets to professional
18 sporting events;

19 (f) The following personal services: Tanning salon services,
20 tattoo parlor services, steam bath services, turkish bath services,
21 escort services, and dating services;

22 ~~(g) ((Information technology training services, technical
23 support, and other services including, but not limited to, assisting
24 with network operations and support, help desk services, in-person
25 training related to hardware or software, network system support
26 services, data entry services, and data processing services;~~

27 ~~(h) Custom website development services. For the purposes of this
28 subsection (3), "website development services" means the design,
29 development, and support of a website provided by a website developer
30 to a customer;~~

31 ~~(i) Investigation, security services, security monitoring
32 services, and armored car services including, but not limited to,
33 background checks, security guard and patrol services, personal and
34 event security, armored car transportation of cash and valuables, and
35 security system services and monitoring. This does not include
36 locksmith services;~~

37 ~~(j) Temporary staffing services. For the purposes of this
38 subsection (3), "temporary staffing services" means providing workers
39 to other businesses, except for hospitals licensed under chapter
40 70.41 or 71.12 RCW, for limited periods of time to supplement their~~

1 ~~workforce and fill employment vacancies on a contract or for fee~~
2 ~~basis;~~

3 ~~(k)~~) Advertising services. (i) For the purposes of this
4 subsection (3), "advertising services" means all digital and
5 nondigital services related to the creation, preparation, production,
6 or dissemination of advertisements including, but not limited to:

7 (A) Layout, art direction, graphic design, mechanical
8 preparation, production supervision, placement, referrals,
9 acquisition of advertising space, and rendering advice concerning the
10 best methods of advertising products or services; and

11 (B) Online referrals, search engine marketing(~~(r)~~) and lead
12 generation optimization, web campaign planning, the acquisition of
13 advertising space in the internet media, and the monitoring and
14 evaluation of website traffic for purposes of determining the
15 effectiveness of an advertising campaign.

16 (ii) "Advertising services" do not include:

17 (A) Web hosting services and domain name registration;

18 (B) Services rendered in respect to the following:

19 (I) "Newspapers" as defined in RCW 82.04.214;

20 (II) Printing or publishing under RCW 82.04.280; and

21 (III) "Radio and television broadcasting" within this state as
22 defined in RCW 82.04.281; and

23 (C) Services rendered in respect to out-of-home advertising,
24 including: Billboard advertising; street furniture advertising;
25 transit advertising; place-based advertising, such as in-store
26 display advertising or point-of-sale advertising; dynamic or static
27 signage at live events; naming rights; and fixed signage advertising.
28 Out-of-home advertising does not include direct mail(~~(s)~~

29 ~~(l) Live presentations including, but not limited to, lectures,~~
30 ~~seminars, workshops, or courses where participants attend either in-~~
31 ~~person or via the internet or telecommunications equipment that~~
32 ~~allows audience members and the presenter or instructor to give,~~
33 ~~receive, and discuss information with each other in real time)); and~~

34 ~~((m))~~ (h)(i) Operating an athletic or fitness facility,
35 including all charges for the use of such a facility or for any
36 associated services and amenities, except as provided in ~~((m))~~ (h)
37 (ii) of this subsection.

38 (ii) Notwithstanding anything to the contrary in ~~((m))~~ (h)(i)
39 of this subsection (3), the term "sale at retail" and "retail sale"
40 under this subsection does not include:

1 (A) Separately stated charges for the use of an athletic or
2 fitness facility where such use is primarily for a purpose other than
3 engaging in or receiving instruction in a physical fitness activity;

4 (B) Separately stated charges for the use of a discrete portion
5 of an athletic or fitness facility, other than a pool, where such
6 discrete portion of the facility does not by itself meet the
7 definition of "athletic or fitness facility" in this subsection;

8 (C) Separately stated charges for services, such as massage,
9 nutritional consulting, and body composition testing, that do not
10 require the customer to engage in physical fitness activities to
11 receive the service. The exclusion in this subsection (3)(~~(m)~~) (h)
12 (ii)(C) does not apply to personal training services and instruction
13 in a physical fitness activity;

14 (D) Separately stated charges for physical therapy provided by a
15 physical therapist, as those terms are defined in RCW 18.74.010, or
16 occupational therapy provided by an occupational therapy
17 practitioner, as those terms are defined in RCW 18.59.020, when
18 performed pursuant to a referral from an authorized health care
19 practitioner or in consultation with an authorized health care
20 practitioner. For the purposes of this subsection (3)(~~(m)~~) (h)
21 (ii)(D), an authorized health care practitioner means a health care
22 practitioner licensed under chapter 18.83, 18.25, 18.36A, 18.57,
23 18.71, or 18.71A RCW, or, until July 1, 2022, chapter 18.57A RCW;

24 (E) Rent or association fees charged by a landlord or residential
25 association to a tenant or residential owner with access to an
26 athletic or fitness facility maintained by the landlord or
27 residential association, unless the rent or fee varies depending on
28 whether the tenant or owner has access to the facility;

29 (F) Services provided in the regular course of employment by an
30 employee with access to an athletic or fitness facility maintained by
31 the employer for use without charge by its employees or their family
32 members;

33 (G) The provision of access to an athletic or fitness facility by
34 an educational institution to its students and staff. However,
35 charges made by an educational institution to its alumni or other
36 members of the public for the use of any of the educational
37 institution's athletic or fitness facilities are a retail sale under
38 this subsection (3)(~~(m)~~) (h). For purposes of this subsection (3)
39 (~~(m)~~) (h)(ii)(G), "educational institution" has the same meaning as
40 in RCW 82.04.170;

1 (H) Yoga, chi gong, or martial arts classes, training, or events
2 held at a community center, park, school gymnasium, college or
3 university, hospital or other medical facility, private residence, or
4 any other facility that is not operated within and as part of an
5 athletic or fitness facility.

6 (iii) Nothing in (~~(m)~~) (h)(ii) of this subsection (3) may be
7 construed to affect the taxation of sales made by the operator of an
8 athletic or fitness facility, where such sales are defined as a
9 retail sale under any provision of this section other than this
10 subsection (3).

11 (iv) For the purposes of this subsection (3)(~~(m)~~) (h), the
12 following definitions apply:

13 (A) "Athletic or fitness facility" means an indoor or outdoor
14 facility or portion of a facility that is primarily used for:
15 Exercise classes; strength and conditioning programs; personal
16 training services; tennis, racquetball, handball, squash, or
17 pickleball; or other activities requiring the use of exercise or
18 strength training equipment, such as treadmills, elliptical machines,
19 stair climbers, stationary cycles, rowing machines, pilates
20 equipment, balls, climbing ropes, jump ropes, and weightlifting
21 equipment.

22 (B) "Martial arts" means any of the various systems of training
23 for physical combat or self-defense. "Martial arts" includes, but is
24 not limited to, karate, kung fu, tae kwon do, Krav Maga, boxing,
25 kickboxing, jujitsu, shootfighting, wrestling, aikido, judo, hapkido,
26 Kendo, tai chi, and mixed martial arts.

27 (C) "Physical fitness activities" means activities that involve
28 physical exertion for the purpose of improving or maintaining the
29 general fitness, strength, flexibility, conditioning, or health of
30 the participant. "Physical fitness activities" includes participating
31 in yoga, chi gong, or martial arts.

32 For the purposes of (g) (~~(through (i) and (k))~~) of this
33 subsection (3), the terms "sale at retail" and "retail sale" do not
34 include a sale between members of an affiliated group as defined in
35 RCW 82.04.299(1)(f).

36 (4)(a) The term also includes the renting or leasing of tangible
37 personal property to consumers.

38 (b) The term does not include the renting or leasing of tangible
39 personal property where the lease or rental is for the purpose of
40 sublease or subrent.

1 (5) The term also includes the providing of "competitive
2 telephone service," "telecommunications service," or "ancillary
3 services," as those terms are defined in RCW 82.04.065, to consumers.

4 (6) (a) The term also includes the sale of prewritten computer
5 software (~~(, custom software, and customization of prewritten computer~~
6 ~~software))~~ to a consumer, regardless of the method of delivery to the
7 end user. For purposes of this subsection (6) (a), the sale of
8 prewritten computer software includes the sale of or charge made for
9 a key or an enabling or activation code, where the key or code is
10 required to activate prewritten computer software and put the
11 software into use. There is no separate sale of the key or code from
12 the prewritten computer software, regardless of how the sale may be
13 characterized by the vendor or by the purchaser.

14 (b) The term "retail sale" does not include the sale of or charge
15 made for:

16 (i) Custom software; or

17 (ii) The customization of prewritten computer software.

18 (c) (i) The term also includes the charge made to consumers for
19 the right to access and use prewritten computer software (~~(, custom~~
20 ~~software, and customization of prewritten computer software))~~, where
21 possession of the software is maintained by the seller or a third
22 party, regardless of whether the charge for the service is on a per
23 use, per user, per license, subscription, or some other basis.

24 (ii) (A) The service described in (~~(b)~~) (c) (i) of this
25 subsection (6) includes the right to access and use prewritten
26 computer software (~~(, custom software, and customization of prewritten~~
27 ~~computer software))~~ to perform data processing.

28 (B) For purposes of this subsection (6) (~~(b)~~) (c) (ii), "data
29 processing" means the systematic performance of operations on data to
30 extract the required information in an appropriate form or to convert
31 the data to usable information. Data processing includes check
32 processing, image processing, form processing, survey processing,
33 payroll processing, claim processing, and similar activities.

34 (7) The term also includes the sale of or charge made for an
35 extended warranty to a consumer. For purposes of this subsection,
36 "extended warranty" means an agreement for a specified duration to
37 perform the replacement or repair of tangible personal property at no
38 additional charge or a reduced charge for tangible personal property,
39 labor, or both, or to provide indemnification for the replacement or
40 repair of tangible personal property, based on the occurrence of

1 specified events. The term "extended warranty" does not include an
2 agreement, otherwise meeting the definition of extended warranty in
3 this subsection, if no separate charge is made for the agreement and
4 the value of the agreement is included in the sales price of the
5 tangible personal property covered by the agreement. For purposes of
6 this subsection, "sales price" has the same meaning as in RCW
7 82.08.010.

8 (8) (a) The term also includes the following sales to consumers of
9 digital goods, digital codes, and digital automated services:

10 (i) Sales in which the seller has granted the purchaser the right
11 of permanent use;

12 (ii) Sales in which the seller has granted the purchaser a right
13 of use that is less than permanent;

14 (iii) Sales in which the purchaser is not obligated to make
15 continued payment as a condition of the sale; and

16 (iv) Sales in which the purchaser is obligated to make continued
17 payment as a condition of the sale.

18 (b) A retail sale of digital goods, digital codes, or digital
19 automated services under this subsection (8) includes any services
20 provided by the seller exclusively in connection with the digital
21 goods, digital codes, or digital automated services, whether or not a
22 separate charge is made for such services.

23 (c) A retail sale of digital goods, digital codes, or digital
24 automated services does not include ~~((the following services if the
25 sale occurs between members of an affiliated group as defined in RCW
26 82.04.299(1) (f):~~

27 ~~(i) Any service that primarily involves the application of human
28 effort by the seller, and the human effort originated after the
29 customer requested the service;~~

30 ~~(ii) Live presentations, such as lectures, seminars, workshops,
31 or courses, where participants are connected to other participants
32 via the internet or telecommunications equipment, which allows
33 audience members and the presenter or instructor to give, receive,
34 and discuss information with each other in real time;~~

35 ~~(iii) Advertising))~~ advertising services if the sale occurs
36 between members of an affiliated group as defined in RCW
37 82.04.299(1) (f). For purposes of this subsection (8) (c), "advertising
38 services" means all services directly related to the creation,
39 preparation, production, or dissemination of advertisements.
40 Advertising services include layout, art direction, graphic design,

1 mechanical preparation, production supervision, placement, and
2 rendering advice to a client concerning the best methods of
3 advertising that client's products or services. Advertising services
4 also include online referrals, search engine marketing and lead
5 generation optimization, web campaign planning, the acquisition of
6 advertising space in the internet media, and the monitoring and
7 evaluation of website traffic for purposes of determining the
8 effectiveness of an advertising campaign. Advertising services do not
9 include web hosting services and domain name registration (~~and~~

10 ~~(iv) Data processing services. For purposes of this subsection~~
11 ~~(8)(c), "data processing service" means a primarily automated service~~
12 ~~provided to a business or other organization where the primary object~~
13 ~~of the service is the systematic performance of operations by the~~
14 ~~service provider on data supplied in whole or in part by the customer~~
15 ~~to extract the required information in an appropriate form or to~~
16 ~~convert the data to usable information. Data processing services~~
17 ~~include check processing, image processing, form processing, survey~~
18 ~~processing, payroll processing, claim processing, and similar~~
19 ~~activities. Data processing does not include the service described in~~
20 ~~subsection (6)(b) of this section).~~

21 (d) For purposes of this subsection, "permanent" means perpetual
22 or for an indefinite or unspecified length of time. A right of
23 permanent use is presumed to have been granted unless the agreement
24 between the seller and the purchaser specifies or the circumstances
25 surrounding the transaction suggest or indicate that the right to use
26 terminates on the occurrence of a condition subsequent.

27 (9) The term also includes the charge made for providing tangible
28 personal property along with an operator for a fixed or indeterminate
29 period of time. A consideration of this is that the operator is
30 necessary for the tangible personal property to perform as designed.
31 For the purpose of this subsection (9), an operator must do more than
32 maintain, inspect, or set up the tangible personal property.

33 (10) The term does not include the sale of or charge made for
34 labor and services rendered in respect to the building, repairing, or
35 improving of any street, place, road, highway, easement, right-of-
36 way, mass public transportation terminal or parking facility, bridge,
37 tunnel, or trestle which is owned by a municipal corporation or
38 political subdivision of the state or by the United States and which
39 is used or to be used primarily for foot or vehicular traffic
40 including mass transportation vehicles of any kind.

1 (11) The term also does not include sales of chemical sprays or
2 washes to persons for the purpose of postharvest treatment of fruit
3 for the prevention of scald, fungus, mold, or decay, nor does it
4 include sales of feed, seed, seedlings, fertilizer, agents for
5 enhanced pollination including insects such as bees, and spray
6 materials to: (a) Persons who participate in the federal conservation
7 reserve program, the environmental quality incentives program, the
8 wetlands reserve program, and the wildlife habitat incentives
9 program, or their successors administered by the United States
10 department of agriculture; (b) farmers for the purpose of producing
11 for sale any agricultural product; (c) farmers for the purpose of
12 providing bee pollination services; and (d) farmers acting under
13 cooperative habitat development or access contracts with an
14 organization exempt from federal income tax under 26 U.S.C. Sec.
15 501(c)(3) of the federal internal revenue code or the Washington
16 state department of fish and wildlife to produce or improve wildlife
17 habitat on land that the farmer owns or leases.

18 (12) The term does not include the sale of or charge made for
19 labor and services rendered in respect to the constructing,
20 repairing, decorating, or improving of new or existing buildings or
21 other structures under, upon, or above real property of or for the
22 United States, any instrumentality thereof, or a county or city
23 housing authority created pursuant to chapter 35.82 RCW, including
24 the installing, or attaching of any article of tangible personal
25 property therein or thereto, whether or not such personal property
26 becomes a part of the realty by virtue of installation. Nor does the
27 term include the sale of services or charges made for the clearing of
28 land and the moving of earth of or for the United States, any
29 instrumentality thereof, or a county or city housing authority. Nor
30 does the term include the sale of services or charges made for
31 cleaning up for the United States, or its instrumentalities,
32 radioactive waste and other by-products of weapons production and
33 nuclear research and development.

34 (13) The term does not include the sale of or charge made for
35 labor, services, or tangible personal property pursuant to agreements
36 providing maintenance services for bus, rail, or rail fixed guideway
37 equipment when a regional transit authority is the recipient of the
38 labor, services, or tangible personal property, and a transit agency,
39 as defined in RCW 81.104.015, performs the labor or services.

1 (14) The term does not include the sale for resale of any service
2 described in this section if the sale would otherwise constitute a
3 "sale at retail" and "retail sale" under this section.

4 (15)(a) The term "sale at retail" or "retail sale" includes
5 amounts charged, however labeled, to consumers to engage in any of
6 the activities listed in this subsection (15)(a), including the
7 furnishing of any associated equipment or, except as otherwise
8 provided in this subsection, providing instruction in such
9 activities, where such charges are not otherwise defined as a "sale
10 at retail" or "retail sale" in this section:

11 (i)(A) Golf, including any variant in which either golf balls or
12 golf clubs are used, such as miniature golf, hitting golf balls at a
13 driving range, and golf simulators, and including fees charged by a
14 golf course to a player for using his or her own cart. However,
15 charges for golf instruction are not a retail sale, provided that if
16 the instruction involves the use of a golfing facility that would
17 otherwise require the payment of a fee, such as green fees or driving
18 range fees, such fees, including the applicable retail sales tax,
19 must be separately identified and charged by the golfing facility
20 operator to the instructor or the person receiving the instruction.

21 (B) Notwithstanding (a)(i)(A) of this subsection (15) and except
22 as otherwise provided in this subsection (15)(a)(i)(B), the term
23 "sale at retail" or "retail sale" does not include amounts charged to
24 participate in, or conduct, a golf tournament or other competitive
25 event. However, amounts paid by event participants to the golf
26 facility operator are retail sales under this subsection (15)(a)(i).
27 Likewise, amounts paid by the event organizer to the golf facility
28 are retail sales under this subsection (15)(a)(i), if such amounts
29 vary based on the number of event participants;

30 (ii) Ballooning, hang gliding, indoor or outdoor sky diving,
31 paragliding, parasailing, and similar activities;

32 (iii) Air hockey, billiards, pool, foosball, darts, shuffleboard,
33 ping pong, and similar games;

34 (iv) Access to amusement park, theme park, and water park
35 facilities, including but not limited to charges for admission and
36 locker or cabana rentals. Discrete charges for rides or other
37 attractions or entertainment that are in addition to the charge for
38 admission are not a retail sale under this subsection (15)(a)(iv).
39 For the purposes of this subsection, an amusement park or theme park
40 is a location that provides permanently affixed amusement rides,

1 games, and other entertainment, but does not include parks or zoos
2 for which the primary purpose is the exhibition of wildlife, or
3 fairs, carnivals, and festivals as defined in (b)(i) of this
4 subsection;

5 (v) Batting cage activities;

6 (vi) Bowling, but not including competitive events, except that
7 amounts paid by the event participants to the bowling alley operator
8 are retail sales under this subsection (15)(a)(vi). Likewise, amounts
9 paid by the event organizer to the operator of the bowling alley are
10 retail sales under this subsection (15)(a)(vi), if such amounts vary
11 based on the number of event participants;

12 (vii) Climbing on artificial climbing structures, whether indoors
13 or outdoors;

14 (viii) Day trips for sightseeing purposes;

15 (ix) Bungee jumping, zip lining, and riding inside a ball,
16 whether inflatable or otherwise;

17 (x) Horseback riding offered to the public, where the seller
18 furnishes the horse to the buyer and providing instruction is not the
19 primary focus of the activity, including guided rides, but not
20 including therapeutic horseback riding provided by an instructor
21 certified by a nonprofit organization that offers national or
22 international certification for therapeutic riding instructors;

23 (xi) Fishing, including providing access to private fishing areas
24 and charter or guided fishing, except that fishing contests and
25 license fees imposed by a government entity are not a retail sale
26 under this subsection;

27 (xii) Guided hunting and hunting at game farms and shooting
28 preserves, except that hunting contests and license fees imposed by a
29 government entity are not a retail sale under this subsection;

30 (xiii) Swimming, but only in respect to (A) recreational or
31 fitness swimming that is open to the public, such as open swim, lap
32 swimming, and special events like kids night out and pool parties
33 during open swim time, and (B) pool parties for private events, such
34 as birthdays, family gatherings, and employee outings. Fees for
35 swimming lessons, to participate in swim meets and other
36 competitions, or to join a swim team, club, or aquatic facility are
37 not retail sales under this subsection (15)(a)(xiii);

38 (xiv) Go-karting, bumper cars, and other motorized activities
39 where the seller provides the vehicle and the premises where the
40 buyer will operate the vehicle;

1 (xv) Indoor or outdoor playground activities, such as inflatable
2 bounce structures and other inflatables; mazes; trampolines; slides;
3 ball pits; games of tag, including laser tag and soft-dart tag; and
4 human gyroscope rides, regardless of whether such activities occur at
5 the seller's place of business, but not including playground
6 activities provided for children by a licensed child day care center
7 or licensed family day care provider as those terms are defined in
8 RCW 43.216.010;

9 (xvi) Shooting sports and activities, such as target shooting,
10 skeet, trap, sporting clays, "5" stand, and archery, but only in
11 respect to discrete charges to members of the public to engage in
12 these activities, but not including fees to enter a competitive
13 event, instruction that is entirely or predominately classroom based,
14 or to join or renew a membership at a club, range, or other facility;

15 (xvii) Paintball and airsoft activities;

16 (xviii) Skating, including ice skating, roller skating, and
17 inline skating, but only in respect to discrete charges to members of
18 the public to engage in skating activities, but not including skating
19 lessons, competitive events, team activities, or fees to join or
20 renew a membership at a skating facility, club, or other
21 organization;

22 (xix) Nonmotorized snow sports and activities, such as downhill
23 and cross-country skiing, snowboarding, ski jumping, sledding, snow
24 tubing, snowshoeing, and similar snow sports and activities, whether
25 engaged in outdoors or in an indoor facility with or without snow,
26 but only in respect to discrete charges to the public for the use of
27 land or facilities to engage in nonmotorized snow sports and
28 activities, such as fees, however labeled, for the use of ski lifts
29 and tows and daily or season passes for access to trails or other
30 areas where nonmotorized snow sports and activities are conducted.
31 However, fees for the following are not retail sales under this
32 subsection (15)(a)(xix): (A) Instructional lessons; (B) permits
33 issued by a governmental entity to park a vehicle on or access public
34 lands; and (C) permits or leases granted by an owner of private
35 timberland for recreational access to areas used primarily for
36 growing and harvesting timber; and

37 (xx) Scuba diving; snorkeling; river rafting; surfing;
38 kiteboarding; flyboarding; water slides; inflatables, such as water
39 pillows, water trampolines, and water rollers; and similar water
40 sports and activities.

1 (b) Notwithstanding anything to the contrary in this subsection
2 (15), the term "sale at retail" or "retail sale" does not include
3 charges:

4 (i) Made for admission to, and rides or attractions at, fairs,
5 carnivals, and festivals. For the purposes of this subsection, fairs,
6 carnivals, and festivals are events that do not exceed 21 days and a
7 majority of the amusement rides, if any, are not affixed to real
8 property;

9 (ii) Made by an educational institution to its students and staff
10 for activities defined as retail sales by (a)(i) through (xx) of this
11 subsection. However, charges made by an educational institution to
12 its alumni or other members of the general public for these
13 activities are a retail sale under this subsection (15). For purposes
14 of this subsection (15)(b)(ii), "educational institution" has the
15 same meaning as in RCW 82.04.170;

16 (iii) Made by a vocational school for commercial diver training
17 that is licensed by the workforce training and education coordinating
18 board under chapter 28C.10 RCW; or

19 (iv) Made for day camps offered by a nonprofit organization or
20 state or local governmental entity that provide youth not older than
21 age 18, or that are focused on providing individuals with
22 disabilities or mental illness, the opportunity to participate in a
23 variety of supervised activities.

24 (16)(a) The term "sale at retail" or "retail sale" includes the
25 purchase or acquisition of tangible personal property and specified
26 services by a person who receives either a qualifying grant exempt
27 from tax under RCW 82.04.767 or 82.16.320 or a grant deductible under
28 RCW 82.04.4339, except for transactions excluded from the definition
29 of "sale at retail" or "retail sale" by any other provision of this
30 section. Nothing in this subsection (16) may be construed to limit
31 the application of any other provision of this section to purchases
32 by a recipient of either a qualifying grant exempt from tax under RCW
33 82.04.767 or a grant deductible under RCW 82.04.4339, or by any other
34 person.

35 (b) For purposes of this subsection (16), "specified services"
36 means:

37 (i) The constructing, repairing, decorating, or improving of new
38 or existing buildings or other structures under, upon, or above real
39 property, including the installing or attaching of any article of
40 tangible personal property therein or thereto, whether or not such

1 personal property becomes a part of the realty by virtue of
2 installation;

3 (ii) The clearing of land or the moving of earth, whether or not
4 associated with activities described in (b)(i) of this subsection
5 (16);

6 (iii) The razing or moving of existing buildings or structures;
7 and

8 (iv) Landscape maintenance and horticultural services.

9 **Sec. 1002.** RCW 82.04.192 and 2025 c 422 s 201 are each amended
10 to read as follows:

11 (1) "Digital audio works" means works that result from the
12 fixation of a series of musical, spoken, or other sounds, including
13 ringtones.

14 (2) "Digital audiovisual works" means a series of related images
15 which, when shown in succession, impart an impression of motion,
16 together with accompanying sounds, if any.

17 (3)(a) "Digital automated service," except as provided in (b) of
18 this subsection (3), means any service transferred electronically
19 that uses one or more software applications.

20 (b) "Digital automated service" does not include:

21 (i) Any service that primarily involves the application of human
22 effort by the seller, and the human effort originated after the
23 customer requested the service;

24 (ii) The loaning or transferring of money or the purchase, sale,
25 or transfer of financial instruments. For purposes of this subsection
26 (3)(b) ~~((+i))~~ (ii), "financial instruments" include cash, accounts
27 receivable and payable, loans and notes receivable and payable, debt
28 securities, equity securities, as well as derivative contracts such
29 as forward contracts, swap contracts, and options;

30 ~~((+ii))~~ (iii) Dispensing cash or other physical items from a
31 machine;

32 ~~((+iii))~~ (iv) Payment processing services;

33 ~~((+iv))~~ (v) Parimutuel wagering and handicapping contests as
34 authorized by chapter 67.16 RCW;

35 ~~((+v))~~ (vi) Telecommunications services and ancillary services
36 as those terms are defined in RCW 82.04.065;

37 ~~((+vi))~~ (vii) The internet and internet access as those terms
38 are defined in RCW 82.04.297;

1 (~~(vii)~~) (viii) The service described in RCW 82.04.050(6)(~~(b)~~)
2 (c);

3 (~~(viii)~~) (ix) Online educational programs provided by a:
4 (A) Public or private elementary or secondary school; or
5 (B) An institution of higher education as defined in sections
6 1001 or 1002 of the federal higher education act of 1965 (Title 20
7 U.S.C. Secs. 1001 and 1002), as existing on July 1, 2009. For
8 purposes of this subsection (3)(b)(~~(viii)~~) (ix)(B), an online
9 educational program must be encompassed within the institution's
10 accreditation;

11 (~~(ix)~~) (x) Live presentations, such as lectures, seminars,
12 workshops, or courses, where participants are connected to other
13 participants via the internet or telecommunications equipment, which
14 allows audience members and the presenter or instructor to give,
15 receive, and discuss information with each other in real time;

16 (xi) Travel agent services, including online travel services, and
17 automated systems used by travel agents to book reservations;

18 (~~(x)~~) (xii)(A) A service that allows the person receiving the
19 service to make online sales of products or services, digital or
20 otherwise, using either: (I) The service provider's website; or (II)
21 the service recipient's website, but only when the service provider's
22 technology is used in creating or hosting the service recipient's
23 website or is used in processing orders from customers using the
24 service recipient's website.

25 (B) The service described in this subsection (3)(b)(~~(x)~~) (xii)
26 does not include the underlying sale of the products or services,
27 digital or otherwise, by the person receiving the service;

28 (~~(xi)~~) (xiii) Telehealth as defined in RCW 18.134.010 or
29 telemedicine as defined in RCW 48.43.735;

30 (~~(xii)~~) (xiv) The mere storage of digital products, digital
31 codes, computer software, or master copies of software. This
32 exclusion from the definition of digital automated services includes
33 providing space on a server for web hosting or the backing up of data
34 or other information; (~~and~~

35 ~~(xiii)~~) (xv) Data processing services. For purposes of this
36 subsection (3)(b)(xv), "data processing service" means a primarily
37 automated service provided to a business or other organization where
38 the primary object of the service is the systematic performance of
39 operations by the service provider on data supplied in whole or in
40 part by the customer to extract the required information in an

1 appropriate form or to convert the data to usable information. "Data
2 processing services" include check processing, image processing, form
3 processing, survey processing, payroll processing, claim processing,
4 and similar activities. "Data processing service" does not include
5 the service described in RCW 82.04.050(6)(c); and

6 (xvi) Digital goods.

7 (4) "Digital books" means works that are generally recognized in
8 the ordinary and usual sense as books.

9 (5) "Digital code" means a code that provides a purchaser with
10 the right to obtain one or more digital products, if all of the
11 digital products to be obtained through the use of the code have the
12 same sales and use tax treatment. "Digital code" does not include a
13 code that represents a stored monetary value that is deducted from a
14 total as it is used by the purchaser. "Digital code" also does not
15 include a code that represents a redeemable card, gift card, or gift
16 certificate that entitles the holder to select digital products of an
17 indicated cash value. A digital code may be obtained by any means,
18 including email or by tangible means regardless of its designation as
19 song code, video code, book code, or some other term.

20 (6)(a) "Digital goods," except as provided in (b) of this
21 subsection (6), means sounds, images, data, facts, or information, or
22 any combination thereof, transferred electronically, including, but
23 not limited to, specified digital products and other products
24 transferred electronically not included within the definition of
25 specified digital products.

26 (b) The term "digital goods" does not include:

27 (i) Telecommunications services and ancillary services as those
28 terms are defined in RCW 82.04.065;

29 (ii) Computer software as defined in RCW 82.04.215;

30 (iii) The internet and internet access as those terms are defined
31 in RCW 82.04.297;

32 (iv)(A) Except as provided in (b)(iv)(B) of this subsection (6),
33 the representation of a personal or professional service in
34 electronic form, such as an electronic copy of an engineering report
35 prepared by an engineer, where the service primarily involves the
36 application of human effort by the service provider, and the human
37 effort originated after the customer requested the service.

38 (B) The exclusion in (b)(iv)(A) of this subsection (6) does not
39 apply to photographers in respect to amounts received for the taking
40 of photographs that are transferred electronically to the customer,

1 but only if the customer is an end user, as defined in RCW
2 82.04.190(11), of the photographs. Such amounts are considered to be
3 for the sale of digital goods; and

4 (v) Services and activities excluded from the definition of
5 digital automated services in subsection (3)(b)(i) through (~~(xiii)~~)
6 (xv) of this section and not otherwise described in (b)(i) through
7 (iv) of this subsection (6).

8 (7) "Digital products" means digital goods and digital automated
9 services.

10 (8) "Electronically transferred" or "transferred electronically"
11 means obtained by the purchaser by means other than tangible storage
12 media. It is not necessary that a copy of the product be physically
13 transferred to the purchaser. So long as the purchaser may access the
14 product, it will be considered to have been electronically
15 transferred to the purchaser.

16 (9) "Specified digital products" means electronically transferred
17 digital audiovisual works, digital audio works, and digital books.

18 (10) "Subscription radio services" means the sale of audio
19 programming by a radio broadcaster as defined in RCW 82.08.0208,
20 except as otherwise provided in this subsection. "Subscription radio
21 services" does not include audio programming that is sold on a pay-
22 per-program basis or that allows the buyer to access a library of
23 programs at any time for a specific charge for that service.

24 (11) "Subscription television services" means the sale of video
25 programming by a television broadcaster as defined in RCW 82.08.0208,
26 except as otherwise provided in this subsection. "Subscription
27 television services" does not include video programming that is sold
28 on a pay-per-program basis or that allows the buyer to access a
29 library of programs at any time for a specific charge for that
30 service, but only if the seller is not subject to a franchise fee in
31 this state under the authority of Title 47 U.S.C. Sec. 542(a) on the
32 gross revenue derived from the sale.

33 NEW SECTION. **Sec. 1003.** RCW 82.32.805 and 82.32.808 do not
34 apply to sections 1001 and 1002 of this act.

35 NEW SECTION. **Sec. 1004.** Sections 1001 and 1002 of this act take
36 effect January 1, 2030.

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PART XI"

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 65, beginning on line 32, after "in" strike "section 902" and insert "sections 902 and 1003"

On page 66, at the beginning of line 12, insert "82.04.050, 82.04.192,"

On page 66, line 16, after "penalties; providing" strike "an effective date" and insert "effective dates"

EFFECT: Repeals all of the retail services enacted under Engrossed Substitute Senate Bill 5814 (Chapter 422, Laws of 2025), except for advertising services, effective January 1, 2030.

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