
SENATE BILL 5610

State of Washington

69th Legislature

2025 Regular Session

By Senators Kauffman, Nobles, and Orwall

Read first time 01/31/25. Referred to Committee on Business,
Financial Services & Trade.

1 AN ACT Relating to establishing an equine industry tax credit,
2 allowing the horse racing commission to impose a fee, and using
3 equine industry sales tax revenues for federal regulatory compliance;
4 adding new sections to chapter 67.16 RCW; adding a new section to
5 chapter 82.04 RCW; creating a new section; providing an effective
6 date; and declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 67.16
9 RCW to read as follows:

10 The commission may impose fees, as the commission deems
11 reasonable and appropriate, in order to pay federal fees and be in
12 compliance with the horseracing integrity and safety act of 2020, 15
13 U.S.C. Sec. 3051 et seq., as amended. Revenues from the fees under
14 this section must be deposited in the Washington equine industry
15 federal regulatory account created in section 4 of this act. The
16 commission may adopt rules to implement this section.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04
18 RCW to read as follows:

19 (1)(a) In computing the tax imposed under this chapter, a credit
20 is allowed for all amounts paid by a person licensed to conduct race

1 meets in this state in an amount equal to the amount paid by the
2 person in the prior state fiscal year to:

3 (i) The federal horseracing integrity safety authority; or

4 (ii) The Washington horse racing commission.

5 (b) Amounts paid are inclusive of any applicable true-up
6 calculations or credits made, granted, or applied to an assessment
7 imposed on the person by the federal horseracing integrity safety
8 authority, for covered race meets in the state, pursuant to the
9 horseracing integrity and safety act of 2020, 15 U.S.C. Sec. 3051 et
10 seq., as amended.

11 (2) A person must have made the payment before claiming a credit
12 authorized under this section. The credit may be used against any tax
13 due under this chapter. The amount of the credit claimed for a
14 reporting period may not exceed the tax otherwise due under this
15 chapter for that reporting period. No refunds may be granted for any
16 unused credits.

17 (3) To claim a credit under this section, a person must
18 electronically file with the department all returns, forms, and any
19 other information required by the department, in an electronic format
20 as provided or approved by the department. Any return, form, or
21 information required to be filed in an electronic format under this
22 section is not filed until received by the department in electronic
23 format.

24 (4) No application is necessary for the tax credit. The person
25 must keep records necessary for the department to verify eligibility
26 under this section.

27 (5) The Washington horse racing commission must provide to the
28 department, upon request, such information as may be needed to verify
29 eligibility for credit under this section, including information
30 regarding payments received by the commission.

31 (6) Chapter 82.32 RCW applies to the administration of this
32 section.

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

35 (a) "Race meet" has the same meaning as in RCW 67.16.010.

36 (b) "Returns" has the same meaning as "return" in RCW 82.32.050.

37 NEW SECTION. **Sec. 3.** A new section is added to chapter 67.16
38 RCW to read as follows:

1 (1) By July 1, 2026, and by July 1st of each year thereafter, the
2 state treasurer, based upon information provided by the department of
3 revenue, must transfer from the general fund to the Washington equine
4 industry federal regulatory account created in section 4 of this act
5 an amount not to exceed \$1,500,000 per fiscal year directly derived
6 from the imposition of state sales and use taxes charged or levied on
7 the following equine products, services, or uses:

8 (a) Equines;

9 (b) Equine feed;

10 (c) Prescription drugs, over-the-counter drugs, or dietary
11 supplements dispensed or to be dispensed to equines;

12 (d) Equine tack which includes, but is not limited to, equipment
13 used to ride or care for an equine such as saddles, driving
14 harnesses, girths, cinches, bridles, martingales, halters, lead
15 ropes, whips, long reins, wraps, and other items used in handling and
16 caring for equines;

17 (e) Horse bedding and grooming supplies;

18 (f) Other taxable sales directly related to equine ownership,
19 riding, or boarding; and

20 (g) Sale of horses including equines claimed at class 1 and class
21 C regulated race meets.

22 (2) Following each biennium, the amount not to exceed in
23 subsection (1) of this section may be reviewed and increased based on
24 inflationary calculations as determined by the department of revenue
25 and federal fee amounts as determined by the Washington horse racing
26 commission.

27 (3) For purposes of this section, "equine" has the meaning
28 provided in RCW 4.24.530.

29 NEW SECTION. **Sec. 4.** A new section is added to chapter 67.16
30 RCW to read as follows:

31 The Washington equine industry federal regulatory account is
32 created in the state treasury. All receipts transferred to the
33 account pursuant to section 3 of this act must be deposited into the
34 account. Moneys in the account may be spent only after appropriation.
35 Expenditures from the account may be used only to pay fees charged by
36 the federal horseracing integrity safety authority pursuant to the
37 horseracing integrity and safety act of 2020, 15 U.S.C. Sec. 3051 et
38 seq., as amended.

1 NEW SECTION. **Sec. 5.** RCW 82.32.805 and 82.32.808 do not apply
2 to section 2 of this act.

3 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of
5 the state government and its existing public institutions, and takes
6 effect July 1, 2025.

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