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**ENGROSSED SENATE BILL 6228**

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**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** Senators Frame, Dhingra, and Hasegawa; by request of Office of Financial Management

Read first time 01/20/26. Referred to Committee on Ways & Means.

1        AN ACT Relating to removing a tax exemption for the warehousing  
2 and reselling of prescription drugs and providing tax relief for  
3 critical access pharmacies; reenacting and amending RCW 82.04.280;  
4 adding a new section to chapter 82.04 RCW; creating new sections;  
5 repealing RCW 82.04.272; and providing an effective date.

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

7        NEW SECTION.    **Sec. 1.** The legislature finds that, according to  
8 the most recent tax exemption study published by the department of  
9 revenue, there are currently 786 tax exemptions for the major state  
10 and local tax sources in Washington. A number of these tax exemptions  
11 have been unchanged in law for a long time and exist as the result of  
12 private interests securing preferential tax treatment. Furthermore,  
13 the legislature finds that the state's tax code must be periodically  
14 reviewed and updated to ensure that tax policy reflects our modern  
15 economy and provides adequate revenue to fund necessary and essential  
16 services to support the well-being of Washingtonians. Thus, it is the  
17 intent of the legislature to remove a tax preference in order to  
18 increase revenue to the state's general fund to maintain essential  
19 state services.

1       **Sec. 2.** RCW 82.04.280 and 2025 c 423 s 202, 2025 c 420 s 107,  
2 and 2025 c 9 s 2 are each reenacted and amended to read as follows:

3       (1) Upon every person engaging within this state in the business  
4 of: (a) Printing materials other than newspapers, and of publishing  
5 periodicals or magazines; (b) building, repairing or improving any  
6 street, place, road, highway, easement, right-of-way, mass public  
7 transportation terminal or parking facility, bridge, tunnel, or  
8 trestle which is owned by a municipal corporation or political  
9 subdivision of the state or by the United States and which is used or  
10 to be used, primarily for foot or vehicular traffic including mass  
11 transportation vehicles of any kind and including any readjustment,  
12 reconstruction or relocation of the facilities of any public, private  
13 or cooperatively owned utility or railroad in the course of such  
14 building, repairing or improving, the cost of which readjustment,  
15 reconstruction, or relocation, is the responsibility of the public  
16 authority whose street, place, road, highway, easement, right-of-way,  
17 mass public transportation terminal or parking facility, bridge,  
18 tunnel, or trestle is being built, repaired or improved; (c)  
19 extracting for hire or processing for hire, except persons taxable as  
20 extractors for hire or processors for hire under another section of  
21 this chapter; (d) operating a cold storage warehouse or storage  
22 warehouse, but not including the rental of cold storage lockers; (e)  
23 representing and performing services for fire or casualty insurance  
24 companies as an independent resident managing general agent licensed  
25 under the provisions of chapter 48.17 RCW; (f) engaging in activities  
26 which bring a person within the definition of consumer contained in  
27 RCW 82.04.190(6); and (g) warehousing and reselling drugs for human  
28 use pursuant to a prescription; as to such persons, the amount of tax  
29 on such business is equal to the gross income of the business  
30 multiplied by the rate of 0.5 percent.

31       (2) For the purposes of this section, the following definitions  
32 apply unless the context clearly requires otherwise.

33       (a) "Cold storage warehouse" means a storage warehouse used to  
34 store fresh and/or frozen perishable fruits or vegetables, meat,  
35 seafood, dairy products, or fowl, or any combination thereof, at a  
36 desired temperature to maintain the quality of the product for  
37 orderly marketing.

38       (b) "Drug" has the same meaning as in RCW 82.08.0281.

39       (c) "Storage warehouse" means a building or structure, or any  
40 part thereof, in which goods, wares, or merchandise are received for

1 storage for compensation, except field warehouses, fruit warehouses,  
2 fruit packing plants, warehouses licensed under chapter 22.09 RCW,  
3 public garages storing automobiles, railroad freight sheds, docks and  
4 wharves, and "self-storage" or "mini storage" facilities whereby  
5 customers have direct access to individual storage areas by separate  
6 entrance. (~~"Storage warehouse" does not include a building or~~  
7 ~~structure, or that part of such building or structure, in which an~~  
8 ~~activity taxable under RCW 82.04.272 is conducted.~~

9 ~~(e))~~ (d) "Periodical or magazine" means a printed publication,  
10 other than a newspaper, issued regularly at stated intervals at least  
11 once every three months, including any supplement or special edition  
12 of the publication.

13 (e) "Prescription" has the same meaning as in RCW 82.08.0281.

14 (f) "Warehousing and reselling drugs for human use pursuant to a  
15 prescription" means the buying of drugs for human use pursuant to a  
16 prescription from a manufacturer or another wholesaler and reselling  
17 of the drugs to persons selling at retail or to hospitals, clinics,  
18 health care providers, or other providers of health care services by  
19 a wholesaler or retailer who is registered with the federal drug  
20 enforcement administration and licensed by the pharmacy quality  
21 assurance commission.

22 NEW SECTION. Sec. 3. A new section is added to chapter 82.04  
23 RCW to read as follows:

24 (1) Upon every person engaging within this state in business as a  
25 critical access pharmacy; as to such persons, the amount of the tax  
26 is equal to the gross income of the business multiplied by the rate  
27 of 0.25 percent.

28 (2) For the purposes of this section, "critical access pharmacy"  
29 means a pharmacy in this state that is further than a 25-mile radius  
30 from any other pharmacy, is the only pharmacy on an island, or  
31 provides critical services to vulnerable populations, as identified  
32 by the health care authority. If a pharmacy is in a rural area or  
33 serves vulnerable populations, as defined by the health care  
34 authority, and the 25-mile radius intersects with another pharmacy,  
35 both are considered critical access pharmacies.

36 NEW SECTION. Sec. 4. RCW 82.04.272 (Tax on warehousing and  
37 reselling prescription drugs) and 2013 c 19 s 127, 2003 c 168 s 401,  
38 & 1998 c 343 s 1 are each repealed.

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

3        NEW SECTION.    **Sec. 6.**    This act takes effect January 1, 2027.

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