

CERTIFICATION OF ENROLLMENT

ENGROSSED SENATE BILL 6228

69th Legislature
2026 Regular Session

Passed by the Senate March 12, 2026
Yeas 26 Nays 23

President of the Senate

Passed by the House March 11, 2026
Yeas 52 Nays 42

**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 6228** 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 6228

AS AMENDED BY THE HOUSE

Passed Legislature - 2026 Regular Session

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; amending RCW 82.04.250; reenacting and
4 amending RCW 82.04.280; creating new sections; repealing RCW
5 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) during calendar year 2027, warehousing and
28 reselling drugs for human use pursuant to a prescription; as to such
29 persons, the amount of tax on such business is equal to the gross
30 income of the business multiplied by the rate of 0.5 percent.

31 (2) Beginning January 1, 2028, upon every person engaging within
32 this state in the business of warehousing and reselling drugs for
33 human use pursuant to a prescription, as to such persons, the amount
34 of tax on such business is equal to the gross income of the business
35 multiplied by the rate of 0.35 percent.

36 (3) For the purposes of this section, the following definitions
37 apply unless the context clearly requires otherwise.

38 (a) "Cold storage warehouse" means a storage warehouse used to
39 store fresh and/or frozen perishable fruits or vegetables, meat,
40 seafood, dairy products, or fowl, or any combination thereof, at a

1 desired temperature to maintain the quality of the product for
2 orderly marketing.

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

4 (c) "Storage warehouse" means a building or structure, or any
5 part thereof, in which goods, wares, or merchandise are received for
6 storage for compensation, except field warehouses, fruit warehouses,
7 fruit packing plants, warehouses licensed under chapter 22.09 RCW,
8 public garages storing automobiles, railroad freight sheds, docks and
9 wharves, and "self-storage" or "mini storage" facilities whereby
10 customers have direct access to individual storage areas by separate
11 entrance. (~~"Storage warehouse" does not include a building or~~
12 structure, or that part of such building or structure, in which an
13 activity taxable under RCW 82.04.272 is conducted.

14 (e)) (d) "Periodical or magazine" means a printed publication,
15 other than a newspaper, issued regularly at stated intervals at least
16 once every three months, including any supplement or special edition
17 of the publication.

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

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

27 **Sec. 3.** RCW 82.04.250 and 2025 c 420 s 103 are each amended to
28 read as follows:

29 (1) Upon every person engaging within this state in the business
30 of making sales at retail, except persons taxable as retailers under
31 other provisions of this chapter, as to such persons, the amount of
32 tax with respect to such business is equal to the gross proceeds of
33 sales of the business, multiplied by the rate of 0.5 percent.

34 (2) Upon every person engaging within this state in the business
35 of making sales at retail that are exempt from the tax imposed under
36 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or
37 82.08.0263, except persons taxable under RCW 82.04.260(11) or
38 subsection (3) of this section, as to such persons, the amount of tax

1 with respect to such business is equal to the gross proceeds of sales
2 of the business, multiplied by the rate of 0.5 percent.

3 (3) (a) Until July 1, 2040, upon every person classified by the
4 federal aviation administration as a federal aviation regulation part
5 145 certificated repair station and that is engaging within this
6 state in the business of making sales at retail that are exempt from
7 the tax imposed under chapter 82.08 RCW by reason of RCW 82.08.0261,
8 82.08.0262, or 82.08.0263, as to such persons, the amount of tax with
9 respect to such business is equal to the gross proceeds of sales of
10 the business, multiplied by the rate of .2904 percent.

11 (b) A person reporting under the tax rate provided in this
12 subsection (3) must file a complete annual report with the department
13 under RCW 82.32.534.

14 (4) Upon every person engaging within this state in business as a
15 critical access pharmacy making sales at retail; as to such persons,
16 the amount of the tax with respect to such business is equal to the
17 gross income of the business multiplied by the rate of 0.138 percent.

18 (5) For purposes of this section, the following definitions
19 apply:

20 (a) "Critical access pharmacy" means an independent pharmacy
21 that:

22 (i) Is farther than a 25 mile radius from any other pharmacy;

23 (ii) Is the only pharmacy on an island;

24 (iii) Is operated by a tribe as defined in RCW 43.71B.010;

25 (iv) Is the only pharmacy located in a high poverty census tract
26 as defined by the United States census bureau; or

27 (v) Is a pharmacy listed on the health care authority's critical
28 access pharmacy list on or before July 1, 2026.

29 (b) "Independent pharmacy" means a pharmacy as defined in RCW
30 18.64.011 that is not owned or operated by a subsidiary or affiliate
31 of a for-profit entity with more than 10 pharmacy locations
32 nationwide, a pharmacy benefit manager, or a publicly traded entity.

33 NEW SECTION. Sec. 4. RCW 82.04.272 (Tax on warehousing and
34 reselling prescription drugs) and 2013 c 19 s 127, 2003 c 168 s 401,
35 & 1998 c 343 s 1 are each repealed.

36 NEW SECTION. Sec. 5. RCW 82.32.805 and 82.32.808 do not apply
37 to this act.

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

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