

CERTIFICATION OF ENROLLMENT

**ENGROSSED SENATE BILL 6228**

Chapter 265, Laws of 2026

69th Legislature  
2026 Regular Session

BUSINESS AND OCCUPATION TAX—PRESCRIPTION DRUG WAREHOUSING AND RESALE  
EXEMPTIONS

EFFECTIVE DATE: January 1, 2027

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

DENNY HECK

**President of the Senate**

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

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Approved April 1, 2026 9:56 AM

BOB FERGUSON

**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.

SARAH BANNISTER

**Secretary**

FILED

April 1, 2026

**Secretary of State  
State of Washington**

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**ENGROSSED SENATE BILL 6228**

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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.

Passed by the Senate March 12, 2026.

Passed by the House March 11, 2026.

Approved by the Governor April 1, 2026.

Filed in Office of Secretary of State April 1, 2026.

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