
ENGROSSED HOUSE BILL 1948

AS AMENDED BY THE SENATE

Passed Legislature - 2020 Regular Session

State of Washington

66th Legislature

2019 Regular Session

By Representatives Entenman, Stokesbary, Sullivan, Senn, Chambers,
Ramos, Callan, and Graham

Read first time 02/07/19. Referred to Committee on Finance.

1 AN ACT Relating to supporting warehousing and manufacturing job
2 centers; adding new sections to chapter 82.14 RCW; creating a new
3 section; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes that changes in
6 sales tax sourcing laws created a significant negative fiscal impact
7 on communities with a concentration of warehousing, manufacturing,
8 and shipping. These communities are vital job centers to our state
9 economy. Furthermore, the infrastructure demands to support these
10 industries are significant. The legislature hereby creates the
11 warehousing and manufacturing job center assistance program to
12 provide these communities with revenue to mitigate for the negative
13 fiscal impact of changes in sales tax sourcing laws, and fund
14 important infrastructure to maintain these key job centers.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14
16 RCW to read as follows:

17 (1) In order to mitigate local sales tax revenue net losses as a
18 result of the sourcing provisions of the streamlined sales and use
19 tax agreement under this title, the state treasurer, on July 1, 2020,
20 and each July 1st thereafter through July 1, 2026, must transfer into

1 the manufacturing and warehousing job centers account from the
2 general fund the sum required to mitigate actual net losses as
3 determined under this section.

4 (2) The department must determine each qualified local taxing
5 jurisdiction's annual loss. The department must determine annual
6 losses by comparing at least twelve months of data from tax return
7 information and tax collections for each qualified local taxing
8 jurisdiction before and after July 1, 2008. The department is not
9 required to determine annual losses on a recurring basis, but may
10 make any adjustments to annual losses as it deems proper as a result
11 of the annual reviews. Each calendar quarter, distributions must be
12 made from the manufacturing and warehousing job centers account by
13 the state treasurer on the last working day of the calendar quarter,
14 as directed by the department, to each qualified local taxing
15 jurisdiction, for losses in respect to taxes imposed under the
16 authority of RCW 82.14.390, in an amount representing one-fourth of
17 the jurisdiction's annual loss reduced by voluntary compliance
18 revenue reported during the previous calendar quarter and marketplace
19 facilitator/remote seller revenue reported during the previous
20 calendar quarter.

21 (3) The definitions in this subsection apply throughout this
22 section unless the context clearly requires otherwise.

23 (a) "Loss" or "losses" means the local sales and use tax revenue
24 reduction to a local taxing jurisdiction resulting from the sourcing
25 provisions in RCW 82.14.490 and section 502, chapter 6, Laws of 2007.

26 (b) "Marketplace facilitator/remote seller revenue" means the
27 local sales and use tax revenue gain, including taxes voluntarily
28 remitted and taxes collected from consumers, to each local taxing
29 jurisdiction from part II of chapter 28, Laws of 2017 3rd sp. sess.
30 as estimated by the department in RCW 82.14.500(6).

31 (c) "Net loss" or "net losses" means a loss offset by any
32 voluntary compliance revenue and marketplace facilitator/remote
33 seller revenue.

34 (d) "Qualified local taxing district" means a city:

35 (i) That was eligible for streamlined sales tax mitigation
36 payments of at least one hundred fifty thousand dollars under RCW
37 82.14.500 in calendar year 2018, based on the calculation and
38 analysis required under RCW 82.14.500(3)(a); and

1 (ii) That has a continued local sales tax revenue loss as a
2 result of the sourcing provision of the streamlined sales and use tax
3 agreement under this title, as determined by the department.

4 (e) "Voluntary compliance revenue" means the local sales tax
5 revenue gain to each local taxing jurisdiction reported to the
6 department from persons registering through the central registration
7 system authorized under the agreement.

8 (4) This section expires January 1, 2026.

9 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.14
10 RCW to read as follows:

11 The manufacturing and warehousing job centers account is created
12 in the state treasury. All receipts from section 2 of this act must
13 be deposited into the account. Moneys in the account may be spent
14 only after appropriation. Expenditures from the account may be used
15 only for the purpose of mitigating the negative fiscal impacts to
16 local taxing jurisdictions as a result of RCW 82.14.490 and section
17 502, chapter 6, Laws of 2007.

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