
SUBSTITUTE HOUSE BILL 2001

State of Washington 65th Legislature 2018 Regular Session

By House Finance (originally sponsored by Representative Nealey)

1 AN ACT Relating to taxes on in-state broadcasters; amending RCW
2 82.04.280 and 82.32.790; and providing a contingent effective date.

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

4 **Sec. 1.** RCW 82.04.280 and 2017 c 323 s 508 are each amended to
5 read as follows:

6 (1) Upon every person engaging within this state in the business
7 of: (a) Printing materials other than newspapers, and of publishing
8 periodicals or magazines; (b) building, repairing or improving any
9 street, place, road, highway, easement, right-of-way, mass public
10 transportation terminal or parking facility, bridge, tunnel, or
11 trestle which is owned by a municipal corporation or political
12 subdivision of the state or by the United States and which is used or
13 to be used, primarily for foot or vehicular traffic including mass
14 transportation vehicles of any kind and including any readjustment,
15 reconstruction or relocation of the facilities of any public, private
16 or cooperatively owned utility or railroad in the course of such
17 building, repairing or improving, the cost of which readjustment,
18 reconstruction, or relocation, is the responsibility of the public
19 authority whose street, place, road, highway, easement, right-of-way,
20 mass public transportation terminal or parking facility, bridge,
21 tunnel, or trestle is being built, repaired or improved; (c)

1 extracting for hire or processing for hire, except persons taxable as
2 extractors for hire or processors for hire under another section of
3 this chapter; (d) operating a cold storage warehouse or storage
4 warehouse, but not including the rental of cold storage lockers; (e)
5 representing and performing services for fire or casualty insurance
6 companies as an independent resident managing general agent licensed
7 under the provisions of chapter 48.17 RCW; (f) radio and television
8 broadcasting, (~~excluding network, national and regional advertising~~
9 ~~computed as a standard deduction based on the national average~~
10 ~~thereof as annually reported by the federal communications~~
11 ~~commission, or in lieu thereof by itemization by the individual~~
12 ~~broadcasting station, and excluding that portion of revenue~~
13 ~~represented by the out-of-state audience computed as a ratio to the~~
14 ~~station's total audience as measured by the 100 micro-volt signal~~
15 ~~strength and delivery by wire)) but excluding revenues from network,
16 national, and regional advertising computed either: (i) As a standard
17 deduction that the department must publish by rule by September 30,
18 2018, and by September 30th of every fifth year thereafter, based on
19 the national average thereof as reported by the United States census
20 bureau's economic census; or (ii) in lieu thereof by itemization by
21 the individual broadcasting station, and excluding that portion of
22 revenue represented by the out-of-state audience computed as a ratio
23 to the broadcasting station's total audience as measured by the .5
24 millivolt/meter signal strength contour for AM radio, the one
25 millivolt/meter or sixty dBu signal strength contour for FM radio,
26 the twenty-eight dBu signal strength contour for television channels
27 two through six, the thirty-six dBu signal strength contour for
28 television channels seven through thirteen, and the forty-one dBu
29 signal strength contour for television channels fourteen through
30 sixty-nine with delivery by wire, satellite, or any other means, if
31 any; (g) engaging in activities which bring a person within the
32 definition of consumer contained in RCW 82.04.190(6); as to such
33 persons, the amount of tax on such business is equal to the gross
34 income of the business multiplied by the rate of 0.484 percent.~~

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

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

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

17 **Sec. 2.** RCW 82.32.790 and 2017 3rd sp.s. c 37 s 526 are each
18 amended to read as follows:

19 (1)(a) Section 2, chapter . . . , Laws of 2018 (section 2 of this
20 act), sections 510, 512, 514, 516, 518, 520, 522, and 524, chapter
21 37, Laws of 2017 3rd sp. sess., sections 9, 13, 17, 22, 24, 30, 32,
22 and 45, chapter 135, Laws of 2017, sections 104, 110, 117, 123, 125,
23 129, 131, and 150, chapter 114, Laws of 2010, and sections 1, 2, 3,
24 and 5 through 10, chapter 149, Laws of 2003 are contingent upon the
25 siting and commercial operation of a significant semiconductor
26 microchip fabrication facility in the state of Washington by January
27 1, 2024.

28 (b) For the purposes of this section:

29 (i) "Commercial operation" means the same as "commencement of
30 commercial production" as used in RCW 82.08.965.

31 (ii) "Semiconductor microchip fabrication" means "manufacturing
32 semiconductor microchips" as defined in RCW 82.04.426.

33 (iii) "Significant" means the combined investment of new
34 buildings and new machinery and equipment in the buildings, at the
35 commencement of commercial production, will be at least one billion
36 dollars.

37 (2) The sections referenced in subsection (1) of this section
38 take effect the first day of the month in which a contract for the
39 construction of a significant semiconductor fabrication facility is

1 signed, if the contract is signed and received by January 1, 2024, as
2 determined by the director of the department of revenue.

3 (3)(a) The department of revenue must provide notice of the
4 effective date of the sections referenced in subsection (1) of this
5 section to affected taxpayers, the legislature, and others as deemed
6 appropriate by the department.

7 (b) If, after making a determination that a contract has been
8 signed and the sections referenced in subsection (1) of this section
9 are effective, the department discovers that commencement of
10 commercial production did not take place within three years of the
11 date the contract was signed, the department must make a
12 determination that chapter 149, Laws of 2003 is no longer effective,
13 and all taxes that would have been otherwise due are deemed deferred
14 taxes and are immediately assessed and payable from any person
15 reporting tax under RCW 82.04.240(2) or claiming an exemption or
16 credit under RCW 82.04.426, 82.04.448, 82.08.965, 82.12.965,
17 82.08.970, 82.12.970, or 84.36.645. The department is not authorized
18 to make a second determination regarding the effective date of the
19 sections referenced in subsection (1) of this section.

20 (4)(a) This section expires January 1, 2024, if the contingency
21 in subsection (2) of this section does not occur by January 1, 2024,
22 as determined by the department.

23 (b) The department must provide written notice of the expiration
24 date of this section and the sections referenced in subsection (1) of
25 this section to affected taxpayers, the legislature, and others as
26 deemed appropriate by the department.

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