
HOUSE BILL 2131

State of Washington

66th Legislature

2019 Regular Session

By Representatives Dufault, Goehner, and Boehnke

1 AN ACT Relating to increasing retail sales and use tax revenue
2 for cities and counties by reducing retail sales and use tax revenue
3 for the state by an equal amount; amending RCW 82.14.030 and
4 82.08.020; and providing an effective date.

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

6 **Sec. 1.** RCW 82.14.030 and 2014 c 216 s 307 are each amended to
7 read as follows:

8 (1) The governing body of any county or city, while not required
9 by legislative mandate to do so, may, by resolution or ordinance for
10 the purposes authorized by this chapter, impose a sales and use tax
11 in accordance with the terms of this chapter. Such tax must be
12 collected from those persons who are taxable by the state under
13 chapters 82.08 and 82.12 RCW, upon the occurrence of any taxable
14 event within the county or city as the case may be. This sales and
15 use tax does not apply to natural or manufactured gas, except for
16 natural gas that is used as a transportation fuel as defined in RCW
17 82.16.310 and is taxable by the state under chapters 82.08 and 82.12
18 RCW. The rate of such tax imposed by a county is (~~five-tenths of~~)
19 one percent of the selling price (in the case of a sales tax) or
20 value of the article used (in the case of a use tax). The rate of
21 such tax imposed by a city may not exceed (~~five-tenths of~~) one

1 percent of the selling price (in the case of a sales tax) or value of
2 the article used (in the case of a use tax). However, in the event a
3 county imposes a sales and use tax under this subsection, the rate of
4 such tax imposed under this subsection by any city therein may not
5 exceed four hundred and twenty-five one-thousandths of one percent.

6 (2) In addition to the tax authorized in subsection (1) of this
7 section, the governing body of any county or city may by resolution
8 or ordinance impose an additional sales and use tax in accordance
9 with the terms of this chapter. Such additional tax must be collected
10 upon the same taxable events upon which the tax imposed under
11 subsection (1) of this section is imposed. The rate of such
12 additional tax imposed by a county is up to five-tenths of one
13 percent of the selling price (in the case of a sales tax) or value of
14 the article used (in the case of a use tax). The rate of such
15 additional tax imposed by a city is up to five-tenths of one percent
16 of the selling price (in the case of a sales tax) or value of the
17 article used (in the case of a use tax). However, in the event a
18 county imposes a sales and use tax under the authority of this
19 subsection at a rate equal to or greater than the rate imposed under
20 the authority of this subsection by a city within the county, the
21 county must receive fifteen percent of the city tax. In the event
22 that the county imposes a sales and use tax under the authority of
23 this subsection at a rate which is less than the rate imposed under
24 this subsection by a city within the county, the county must receive
25 that amount of revenues from the city tax equal to fifteen percent of
26 the rate of tax imposed by the county under the authority of this
27 subsection. The authority to impose a tax under this subsection is
28 intended in part to compensate local government for any losses from
29 the phaseout of the property tax on business inventories.

30 **Sec. 2.** RCW 82.08.020 and 2014 c 140 s 12 are each amended to
31 read as follows:

32 (1) There is levied and collected a tax equal to six (~~and five-~~
33 ~~tenths~~) percent of the selling price on each retail sale in this
34 state of:

35 (a) Tangible personal property, unless the sale is specifically
36 excluded from the RCW 82.04.050 definition of retail sale;

37 (b) Digital goods, digital codes, and digital automated services,
38 if the sale is included within the RCW 82.04.050 definition of retail
39 sale;

1 (c) Services, other than digital automated services, included
2 within the RCW 82.04.050 definition of retail sale;

3 (d) Extended warranties to consumers; and

4 (e) Anything else, the sale of which is included within the RCW
5 82.04.050 definition of retail sale.

6 (2) There is levied and collected an additional tax on each
7 retail car rental, regardless of whether the vehicle is licensed in
8 this state, equal to five and nine-tenths percent of the selling
9 price. The revenue collected under this subsection must be deposited
10 in the multimodal transportation account created in RCW 47.66.070.

11 (3) Beginning July 1, 2003, there is levied and collected an
12 additional tax of three-tenths of one percent of the selling price on
13 each retail sale of a motor vehicle in this state, other than retail
14 car rentals taxed under subsection (2) of this section. The revenue
15 collected under this subsection must be deposited in the multimodal
16 transportation account created in RCW 47.66.070.

17 (4) For purposes of subsection (3) of this section, "motor
18 vehicle" has the meaning provided in RCW 46.04.320, but does not
19 include:

20 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180
21 and 46.04.181, unless the farm tractor or farm vehicle is for use in
22 the production of marijuana;

23 (b) Off-road vehicles as defined in RCW 46.04.365;

24 (c) Nonhighway vehicles as defined in RCW 46.09.310; and

25 (d) Snowmobiles as defined in RCW 46.04.546.

26 (5) Beginning on December 8, 2005, 0.16 percent of the taxes
27 collected under subsection (1) of this section must be dedicated to
28 funding comprehensive performance audits required under RCW
29 43.09.470. The revenue identified in this subsection must be
30 deposited in the performance audits of government account created in
31 RCW 43.09.475.

32 (6) The taxes imposed under this chapter apply to successive
33 retail sales of the same property.

34 (7) The rates provided in this section apply to taxes imposed
35 under chapter 82.12 RCW as provided in RCW 82.12.020.

36 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2020.

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