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HOUSE BILL 2899

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State of Washington                      61st Legislature                      2010 Regular Session

By Representatives Upthegrove, Orwall, and Hudgins

Read first time 01/18/10. Referred to Committee on Finance.

1            AN ACT Relating to state tax incentives to encourage the  
2 redevelopment of port district property; adding a new section to  
3 chapter 82.04 RCW; adding a new section to chapter 82.14 RCW; adding a  
4 new section to chapter 82.29A RCW; providing an effective date; and  
5 providing expiration dates.

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

7            NEW SECTION.    **Sec. 1.** A new section is added to chapter 82.04 RCW  
8 to read as follows:

9            (1) Persons subject to payment of the tax under this chapter may  
10 deduct any amounts received for the following activities occurring  
11 within a port district business redevelopment zone:

- 12            (a) Making sales at retail or wholesale;  
13            (b) Manufacturing or processing for hire; or  
14            (c) Performing any service.

15            (2) For the purpose of this section, "port district business  
16 redevelopment zone" has the same meaning as provided in section 3 of  
17 this act.

18            (3) This section expires January 1, 2025.

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

3        (1) A city legislative authority may fix and impose a sales and use  
4 tax in accordance with the terms of this chapter for the purposes  
5 designated in subsection (3) of this section.

6        (2) The tax authorized in this section must be deducted from the  
7 amount of tax otherwise required to be collected or paid over to the  
8 department under chapter 82.08 or 82.12 RCW. The rate of tax may not  
9 exceed one-tenth of one percent of the selling price in the case of  
10 sales tax, or value of the article used, in the case of a use tax.

11       (3) Moneys received from any tax imposed under this section must be  
12 used solely for the purpose of public improvement costs within a port  
13 district business redevelopment zone.

14       (4) The definitions in this subsection apply throughout this  
15 section.

16       (a) "Port district business redevelopment zone" has the same  
17 meaning as provided in section 3 of this act.

18       (b) "Public improvement costs" has the same meaning as provided in  
19 RCW 39.102.020.

20       (5) This section expires January 1, 2025.

21       NEW SECTION.    **Sec. 3.**    A new section is added to chapter 82.29A RCW  
22 to read as follows:

23       (1) The leasehold excise tax under RCW 82.29A.030 does not apply to  
24 leasehold interests in real or personal property located within a port  
25 district business redevelopment zone.

26       (2) The exemption provided in subsection (1) of this section does  
27 not apply to city and county leasehold excise taxes imposed under RCW  
28 82.29A.040.

29       (3) For the purposes of this section, "port district business  
30 redevelopment zone" means any area:

31       (a) Acquired by a port district with a population of one million  
32 five hundred thousand or more for the purpose of airport expansion or  
33 aircraft noise mitigation, and the area is currently designated by a  
34 city for redevelopment for business or commercial uses;

35       (b) Any area owned by the state of Washington as of January 1,  
36 2010, and located adjacent to an area described under (a) of this  
37 subsection; and

1 (c) Any area within one thousand seven hundred fifty feet of the  
2 boundary of an area described in (a) or (b) of this subsection.

3 (4) This section expires January 1, 2025.

4 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2011.

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