
SENATE BILL 5798

State of Washington

66th Legislature

2019 Regular Session

By Senators Schoesler, Bailey, Becker, Short, Brown, King, Fortunato, Wagoner, Warnick, Honeyford, Takko, Rivers, Zeiger, Holy, and Van De Wege

1 AN ACT Relating to providing a sales and use tax exemption for
2 construction and repair costs associated with fish barrier removal;
3 amending RCW 82.14.050 and 82.14.060; adding a new section to chapter
4 82.08 RCW; adding a new section to chapter 82.12 RCW; creating a new
5 section; and providing a contingent expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08
8 RCW to read as follows:

9 (1) Subject to the requirements of this section, the tax levied
10 by RCW 82.08.020 does not apply to:

11 (a) Charges for labor and services rendered in respect to fish
12 passage barrier removal; or

13 (b) Sales of tangible personal property that will be incorporated
14 as an ingredient or component of fish passage barrier removal.

15 (2)(a) The exemption in this section is in the form of a
16 remittance. A buyer claiming an exemption from the tax in the form of
17 a remittance under this section must pay all applicable state and
18 local sales taxes imposed under RCW 82.08.020 and chapter 82.14 RCW
19 on all purchases qualifying for the exemption.

20 (b) The department must determine eligibility under this section
21 based on information provided by the buyer and through audit and

1 other administrative records. The buyer may on a quarterly basis
2 submit an application, in a form and manner as required by the
3 department by rule, specifying the amount of exempted tax claimed and
4 the qualifying purchases or acquisitions for which the exemption is
5 claimed. The buyer must retain, in adequate detail to enable the
6 department to determine whether the equipment or construction meets
7 the criteria under this section: Invoices; proof of tax paid;
8 documents describing the location and size of new structures; and
9 construction invoices and documents.

10 (c) The department must on a quarterly basis remit exempted
11 amounts to qualifying persons who submitted applications during the
12 previous quarter.

13 (d) A person may request a remittance for state and local sales
14 and use taxes on or after the effective date of this section.

15 (3) For the purposes of this section, "fish passage barrier
16 removal" means those activities consistent with Title 77 RCW.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12
18 RCW to read as follows:

19 (1) The provisions of this chapter do not apply with respect to
20 the use of tangible personal property that will be incorporated as an
21 ingredient or component in fish passage barrier removal.

22 (2) The eligibility requirements, conditions, and definition in
23 section 1 of this act apply to this section.

24 **Sec. 3.** RCW 82.14.050 and 2016 c 191 s 4 are each amended to
25 read as follows:

26 (1) The counties, cities, and transportation authorities under
27 RCW 82.14.045, public facilities districts under chapters 36.100 and
28 35.57 RCW, public transportation benefit areas under RCW 82.14.440,
29 regional transportation investment districts, and transportation
30 benefit districts under chapter 36.73 RCW must contract, prior to the
31 effective date of a resolution or ordinance imposing a sales and use
32 tax, the administration and collection to the state department of
33 revenue, which must deduct a percentage amount, as provided by
34 contract, not to exceed two percent of the taxes collected for
35 administration and collection expenses incurred by the department.
36 The remainder of any portion of any tax authorized by this chapter
37 that is collected by the department of revenue must be deposited by
38 the state department of revenue in the local sales and use tax

1 account hereby created in the state treasury. Beginning January 1,
2 2013, the department of revenue must make deposits in the local sales
3 and use tax account on a monthly basis on the last business day of
4 the month in which distributions required in (a) of this subsection
5 are due. Moneys in the local sales and use tax account may be
6 withdrawn only for:

7 (a) Distribution to counties, cities, transportation authorities,
8 public facilities districts, public transportation benefit areas,
9 regional transportation investment districts, and transportation
10 benefit districts imposing a sales and use tax; and

11 (b) Making refunds of taxes imposed under the authority of this
12 chapter and RCW 81.104.170 and exempted under RCW 82.08.962,
13 82.12.962, 82.08.02565, 82.12.02565, 82.08.025661, (~~or~~)
14 82.12.025661, or section 1 or 2 of this act.

15 (2) All administrative provisions in chapters 82.03, 82.08,
16 82.12, and 82.32 RCW, as they now exist or may hereafter be amended,
17 insofar as they are applicable to state sales and use taxes, are
18 applicable to taxes imposed pursuant to this chapter.

19 (3) Counties, cities, transportation authorities, public
20 facilities districts, and regional transportation investment
21 districts may not conduct independent sales or use tax audits of
22 sellers registered under the streamlined sales tax agreement.

23 (4) Except as provided in RCW 43.08.190 and subsection (5) of
24 this section, all earnings of investments of balances in the local
25 sales and use tax account must be credited to the local sales and use
26 tax account and distributed to the counties, cities, transportation
27 authorities, public facilities districts, public transportation
28 benefit areas, regional transportation investment districts, and
29 transportation benefit districts monthly.

30 (5) Beginning January 1, 2013, the state treasurer must determine
31 the amount of earnings on investments that would have been credited
32 to the local sales and use tax account if the collections had been
33 deposited in the account over the prior month. When distributions are
34 made under subsection (1)(a) of this section, the state treasurer
35 must transfer this amount from the state general fund to the local
36 sales and use tax account and must distribute such sums to the
37 counties, cities, transportation authorities, public facilities
38 districts, public transportation benefit areas, regional
39 transportation investment districts, and transportation benefit
40 districts.

1 **Sec. 4.** RCW 82.14.060 and 2016 c 191 s 5 are each amended to
2 read as follows:

3 (1)(a) Monthly, the state treasurer must distribute from the
4 local sales and use tax account to the counties, cities,
5 transportation authorities, public facilities districts, and
6 transportation benefit districts the amount of tax collected on
7 behalf of each taxing authority, less:

8 (i) The deduction provided for in RCW 82.14.050; and

9 (ii) The amount of any refunds of local sales and use taxes
10 exempted under RCW 82.08.962, 82.12.962, 82.08.02565, 82.12.02565,
11 82.08.025661, (~~or~~) 82.12.025661, or section 1 or 2 of this act,
12 which must be made without appropriation.

13 (b) The state treasurer must make the distribution under this
14 section without appropriation.

15 (2) In the event that any ordinance or resolution imposes a sales
16 and use tax at a rate in excess of the applicable limits contained
17 herein, such ordinance or resolution may not be considered void in
18 toto, but only with respect to that portion of the rate which is in
19 excess of the applicable limits contained herein.

20 NEW SECTION. **Sec. 5.** The provisions of RCW 82.32.805 and
21 82.32.808 do not apply to this act.

22 NEW SECTION. **Sec. 6.** (1) This act expires on the date that the
23 department of fish and wildlife determines that state fish passage
24 barrier removal is complete and meets the standards set forth in
25 federal court order.

26 (2) The department of fish and wildlife must provide written
27 notice of the expiration date of this act to affected parties, the
28 chief clerk of the house of representatives, the secretary of the
29 senate, the office of the code reviser, and others as deemed
30 appropriate by the department.

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