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**SENATE BILL 6215**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Senators Schoesler and Robinson

1 AN ACT Relating to improving tax and revenue laws in a manner  
2 that is not estimated to affect state or local tax collections as  
3 reflected on any fiscal note for this act, including provisions  
4 easing compliance burdens for taxpayers, clarifying ambiguities,  
5 making technical corrections, and providing administrative  
6 efficiencies; amending RCW 28A.150.412, 82.04.759, 82.32.783, and  
7 82.12.0266; adding a new section to chapter 82.46 RCW; repealing RCW  
8 19.02.055; and providing an expiration date.

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

10 **Sec. 1.** RCW 28A.150.412 and 2018 c 266 s 203 are each amended to  
11 read as follows:

12 (1) Beginning with the 2023 regular legislative session, and  
13 every four years thereafter, the legislature shall review and rebase  
14 state basic education compensation allocations compared to school  
15 district compensation data, regionalization factors, what  
16 inflationary measure is the most representative of actual market  
17 experience for school districts, and other economic information. The  
18 legislature shall revise the minimum allocations, regionalization  
19 factors, and inflationary measure if necessary to ensure that state  
20 basic education allocations continue to provide market-rate salaries

1 and that regionalization adjustments reflect actual economic  
2 differences between school districts.

3 (2) (a) For school districts with single-family residential values  
4 above the statewide median residential value, regionalization factors  
5 for school years 2018-19 through school year 2022-23 are as follows:

6 (i) For school districts in tercile 1, state salary allocations  
7 for school district employees are regionalized by six percent;

8 (ii) For school districts in tercile 2, state salary allocations  
9 for school district employees are regionalized by (~~twelve~~) 12  
10 percent; and

11 (iii) For school districts in tercile 3, state salary allocations  
12 for school district employees are regionalized by (~~eighteen~~) 18  
13 percent.

14 (b) In addition to the regionalization factors specified in (a)  
15 of this subsection, school districts located west of the crest of the  
16 Cascade mountains and sharing a boundary with any school district  
17 with a regionalization factor more than one tercile higher, are  
18 regionalized by six additional percentage points.

19 (c) In addition to the regionalization factors specified in this  
20 subsection, for school districts that have certificated instructional  
21 staff median years of experience that exceed the statewide average  
22 certificated instructional staff years of experience and a ratio of  
23 certificated instructional staff advanced degrees to bachelor degrees  
24 above the statewide ratio, an experience factor of four percentage  
25 points is added to the regionalization factor, beginning in the  
26 2019-20 school year.

27 (d) Additional school district adjustments are identified in the  
28 omnibus appropriations act, and these adjustments are partially  
29 reduced or eliminated by the 2022-23 school year as follows:

30 (i) Adjustments that increase the regionalization factor to a  
31 value that is greater than the tercile 3 regionalization factor must  
32 be reduced by two percentage points each school year beginning with  
33 school year 2020-21, through 2022-23.

34 (ii) Adjustments that increase the regionalization factor to a  
35 value that is less than or equal to the tercile 3 regionalization  
36 factor must be reduced by one percentage point each school year  
37 beginning with school year 2020-21, through 2022-23.

38 (3) To aid the legislature in reviewing and rebasing  
39 regionalization factors, the department of revenue shall, by November  
40 1, 2022, and by November 1st every four years thereafter, determine

1 the median single-family residential value of each school district  
2 (~~as well as~~) and the median single-family residential value (~~of~~  
3 ~~proximate districts within fifteen miles of the boundary of the~~) of  
4 each school district including any other school district that is  
5 proximate to the school district for which the median residential  
6 value is being calculated.

7 (4) No district may receive less state funding for the minimum  
8 state salary allocation as compared to its prior school year salary  
9 allocation as a result of adjustments that reflect updated  
10 regionalized salaries.

11 (5) The definitions in this subsection apply throughout this  
12 section unless the context clearly requires otherwise.

13 (a) "Median residential value of each school district" means the  
14 median value of all single-family residential parcels included within  
15 a school district (~~and any other school district that is proximate~~  
16 ~~to the school district~~).

17 (b) "Proximate to the school district" means within (~~fifteen~~)  
18 15 miles of the boundary of the school district for which the median  
19 residential value is being calculated.

20 (c) "School district employees" means state-funded certificated  
21 instructional staff, certificated administrative staff, and  
22 classified staff.

23 (d) "School districts in tercile 1" means school districts with  
24 median single-family residential values in the first tercile of  
25 districts with single-family residential values above the statewide  
26 median residential value.

27 (e) "School districts in tercile 2" means school districts with  
28 median single-family residential values in the second tercile of  
29 districts with single-family residential values above the statewide  
30 median residential value.

31 (f) "School districts in tercile 3" means school districts with  
32 median single-family residential values in the third tercile of  
33 districts with single-family residential values above the statewide  
34 median residential value.

35 (g) "Statewide median residential value" means the median value  
36 of single-family residential parcels located within all school  
37 districts, reduced by five percent.

38 **Sec. 2.** RCW 82.04.759 and 2023 c 286 s 2 are each amended to  
39 read as follows:

1 (1) This chapter does not apply to amounts received by any person  
2 for engaging in any of the following activities:

3 (a) Printing a newspaper, publishing a newspaper, or both; or

4 (b) Publishing eligible digital content by a person who reported  
5 under the printing and publishing tax classification for the  
6 reporting period that covers January 1, 2008, for engaging in  
7 printing and/or publishing a newspaper, as defined on January 1,  
8 2008.

9 (2) The exemption under this section must be reduced by an amount  
10 equal to the value of any expenditure made by the person during the  
11 tax reporting period. For purposes of this subsection, "expenditure"  
12 has the meaning provided in RCW 42.17A.005.

13 (3) If a person who is primarily engaged in printing a newspaper,  
14 publishing a newspaper, or publishing eligible digital content, or  
15 any combination of these activities, charges a single, nonvariable  
16 amount to advertise in, subscribe to, or access content in both a  
17 publication identified in subsection (1) of this section and another  
18 type of publication, the entire amount is exempt under this section.

19 (4) For purposes of this section, "eligible digital content"  
20 means a publication that:

21 (a) Is published at regularly stated intervals of at least once  
22 per month;

23 (b) Features written content, the largest category of which, as  
24 determined by word count, contains material that identifies the  
25 author or the original source of the material; and

26 (c) Is made available to readers exclusively in an electronic  
27 format.

28 (5) The exemption under this section applies only to persons  
29 primarily engaged in printing a newspaper, publishing a newspaper, or  
30 publishing eligible digital content, or any combination of these  
31 activities, unless these business activities were previously engaged  
32 in by an affiliated person and were not the affiliated person's  
33 primary business activity.

34 (6) For purposes of this section, the following definitions  
35 apply:

36 (a) "Affiliated" has the same meaning as provided in RCW  
37 82.04.299.

38 (b) "Primarily" means, with respect to a business activity or  
39 combination of business activities of a taxpayer, more (~~the~~) than  
40 50 percent of the taxpayer's gross worldwide income from all business

1 activities, whether subject to tax under this chapter or not, comes  
2 from such activity or activities.

3 **Sec. 3.** RCW 82.32.783 and 2010 c 112 s 3 are each amended to  
4 read as follows:

5 (1)(a) Contractors seeking a new reseller permit or to renew or  
6 reinstate a reseller permit must apply to the department in a form  
7 and manner prescribed by the department.

8 (b) As part of the application, the contractor must report the  
9 total combined dollar amount of all purchases of materials and labor  
10 during the preceding (~~(twenty-four)~~) 24 months for retail  
11 construction activity, wholesale construction activity, speculative  
12 building, public road construction, and government contracting. If  
13 the contractor was not engaged in business as a contractor during the  
14 preceding (~~(twenty-four)~~) 24 months, the contractor may provide an  
15 estimate of the dollar amount of purchases of materials and labor for  
16 retail construction activity, wholesale construction activity,  
17 speculative building, public road construction, and government  
18 contracting during the (~~(twelve)~~) 12-month or (~~(twenty-four)~~) 24-month  
19 period for which the reseller permit will be valid. The contractor  
20 must also report the percentage of its total dollar amount of actual  
21 or, if applicable, estimated material and labor purchases that was  
22 for retail and wholesale construction activity performed by the  
23 applicant.

24 (c) The department must use its best efforts to rule on  
25 applications within (~~(sixty)~~) 60 days of receiving a complete  
26 application. If the department fails to rule on an application within  
27 (~~(sixty)~~) 60 days of receiving a complete application, the taxpayer  
28 may either request a review as provided in subsection (6) of this  
29 section or resubmit the application. Nothing in this subsection may  
30 be construed as preventing the department from ruling on an  
31 application more than (~~(sixty)~~) 60 days after the department received  
32 the application.

33 (d)(i) An application must be denied if:

34 (A) The department determines that the applicant is not entitled  
35 to make purchases at wholesale or is otherwise prohibited from using  
36 a reseller permit;

37 (B) The application contains any material misstatement;

38 (C) The application is incomplete; or

1 (D) Less than (~~twenty-five~~) 25 percent of the taxpayer's total  
2 dollar amount of actual or, if applicable, estimated material and  
3 labor purchases as reported on the application is for retail and  
4 wholesale construction activity performed by the applicant. However,  
5 the department may approve an application not meeting the criteria in  
6 this subsection (1)(d)(i)(D) if the department is satisfied that  
7 approval is unlikely to jeopardize collection of the taxes due under  
8 this title.

9 (ii) The department may also deny an application if the  
10 department determines that denial would be in the best interest of  
11 collecting taxes due under this title.

12 (iii) The department's decision to approve or deny an application  
13 may be based on tax returns previously filed with the department by  
14 the applicant, a current or previous examination of the applicant's  
15 books and records by the department, information provided by the  
16 applicant in the master application and the reseller permit  
17 application, and other information available to the department.

18 (e) The department must refuse to accept an application to renew  
19 a reseller permit that is received more than (~~ninety~~) 90 days  
20 before the expiration of the reseller permit.

21 (2) Notwithstanding subsection (1) of this section, the  
22 department may issue or renew a reseller permit for a contractor that  
23 has not applied for the permit or renewal of the permit if the  
24 department is satisfied that the contractor is entitled to make  
25 purchases at wholesale and that issuing or renewing the reseller  
26 permit is unlikely to jeopardize collection of sales taxes due under  
27 this title based on criteria established by the department by rule.  
28 Such criteria may include but is not limited to whether the taxpayer  
29 has a previous history of misusing resale certificates or reseller  
30 permits or there is any other indication that issuing or renewing the  
31 reseller permit would jeopardize collection of sales taxes due from  
32 the contractor.

33 (3) (a) Except as otherwise provided in (b) of this subsection (~~÷~~  
34 ~~(i) Except as provided in (a)(ii) of this subsection, until June~~  
35 ~~30, 2013, reseller permits issued, renewed, or reinstated under this~~  
36 ~~section will be valid for a period of twelve months from the date of~~  
37 ~~issuance, renewal, or reinstatement; and~~

38 ~~(ii) Beginning~~) , beginning July 1, 2013, reseller permits  
39 issued, renewed, or reinstated under this section will be valid for a  
40 period of (~~twenty-four~~) 24 months from the date of issuance,

1 renewal, or reinstatement. (~~However, the department may issue,~~  
2 ~~renew, or reinstate permits for a period of twenty-four months~~  
3 ~~beginning July 1, 2011, if the department is satisfied in the same~~  
4 ~~manner as set forth in subsection (2) of this section.~~)

5 (b) (i) A reseller permit is no longer valid if the permit  
6 holder's certificate of registration is revoked, the permit holder's  
7 tax reporting account is closed by the department, or the permit  
8 holder otherwise ceases to engage in business.

9 (ii) The department may provide by rule for a uniform expiration  
10 date for reseller permits issued, renewed, or reinstated under this  
11 section, if the department determines that a uniform expiration date  
12 for reseller permits will improve administrative efficiency for the  
13 department. If the department adopts a uniform expiration date by  
14 rule, the department may extend or shorten the (~~twelve or twenty-~~  
15 ~~four~~) 24-month period provided in (a) (~~(i) and (ii)~~) of this  
16 subsection for a period not to exceed six months as necessary to  
17 conform the reseller permit to the uniform expiration date.

18 (4) (a) The department may revoke a contractor's reseller permit  
19 for any of the following reasons:

20 (i) The contractor used or allowed or caused its reseller permit  
21 to be used to purchase any item or service without payment of sales  
22 tax, but the contractor or other purchaser was not entitled to use  
23 the reseller permit for the purchase;

24 (ii) The department issued the reseller permit to the contractor  
25 in error;

26 (iii) The department determines that the contractor is no longer  
27 entitled to make purchases at wholesale; or

28 (iv) The department determines that revocation of the reseller  
29 permit would be in the best interest of collecting taxes due under  
30 this title.

31 (b) The notice of revocation must be in writing and is effective  
32 on the date specified in the revocation notice. The notice must also  
33 advise the contractor of its right to a review by the department.

34 (c) The department may refuse to reinstate a reseller permit  
35 revoked under (a) (i) of this subsection until all taxes, penalties,  
36 and interest due on any improperly purchased item or service have  
37 been paid in full. In the event a contractor whose reseller permit  
38 has been revoked under this subsection reorganizes, the new business  
39 resulting from the reorganization is not entitled to a reseller

1 permit until all taxes, penalties, and interest due on any improperly  
2 purchased item or service have been paid in full.

3 (d) For purposes of this subsection, "reorganize" or  
4 "reorganization" means: (i) The transfer, however effected, of a  
5 majority of the assets of one business to another business where any  
6 of the persons having an interest in the ownership or management in  
7 the former business maintain an ownership or management interest in  
8 the new business, either directly or indirectly; (ii) a mere change  
9 in identity or form of ownership, however effected; or (iii) the new  
10 business is a mere continuation of the former business based on  
11 significant shared features such as owners, personnel, assets, or  
12 general business activity.

13 (5) The department may provide the public with access to reseller  
14 permit numbers on its website, including the name of the permit  
15 holder, the status of the reseller permit, the expiration date of the  
16 permit, and any other information that is disclosable under RCW  
17 82.32.330(3) ~~((+1+))~~ (k).

18 (6) The department must provide by rule for the review of the  
19 department's decision to deny, revoke, or refuse to reinstate a  
20 reseller permit or the department's failure to rule on an application  
21 within the time prescribed in subsection (1)(a) of this section. Such  
22 review must be consistent with the requirements of chapter 34.05 RCW.

23 (7) As part of its continuing efforts to educate taxpayers on  
24 their sales and use tax responsibilities, the department will educate  
25 taxpayers on the appropriate use of a reseller permit or other  
26 documentation authorized under RCW 82.04.470 and the consequences of  
27 misusing such permits or other documentation.

28 (8) As used in this section, the following definitions apply:

29 (a) "Contractor" means a person whose primary business activity  
30 is as a contractor which includes one or more contractor-related  
31 activities as defined in RCW 18.27.010 ~~((or an electrical contractor~~  
32 ~~as defined in RCW)), 18.106.010, or 19.28.006.~~

33 (b) "Government contracting" means the activity described in RCW  
34 82.04.190(6).

35 (c) "Public road construction" means the activity described in  
36 RCW 82.04.190(3).

37 (d) "Retail construction activity" means any activity defined as  
38 a retail sale in RCW 82.04.050(2) (b) or (c).



1 (e) "Speculative building" means the activities of a speculative  
2 builder as the term "speculative builder" is defined by rule of the  
3 department.

4 (f) "Wholesale construction activity" means labor and services  
5 rendered for persons who are not consumers in respect to real  
6 property, if such labor and services are expressly defined as a  
7 retail sale by RCW 82.04.050 when rendered to or for consumers. For  
8 purposes of this subsection (8)(f), "consumer" has the same meaning  
9 as in RCW 82.04.190.

10 **Sec. 4.** RCW 82.12.0266 and 1980 c 37 s 65 are each amended to  
11 read as follows:

12 The provisions of this chapter shall not apply in respect to the  
13 use by residents of this state of motor vehicles and trailers  
14 acquired and used while such persons are members of the armed  
15 services (~~and~~) who are stationed outside this state pursuant to  
16 military orders (~~, but~~) and residing outside this state. However,  
17 this exemption shall not apply to members of the armed services  
18 called to active duty for training purposes for periods of less than  
19 six months and shall not apply to the use of motor vehicles or  
20 trailers acquired less than (~~thirty~~) 30 days prior to the discharge  
21 or release from active duty of any person from the armed services.

22 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.46  
23 RCW to read as follows:

24 The following provisions apply to this chapter unless the context  
25 clearly requires otherwise.

26 (1) The taxes imposed under this chapter shall be imposed in the  
27 same manner and on the same occurrences, and are subject to the same  
28 conditions, as the taxes under chapter 82.45 RCW.

29 (2) The definitions in chapter 82.45 RCW apply throughout this  
30 chapter.

31 NEW SECTION. **Sec. 6.** RCW 19.02.055 (Agency duties—Information—  
32 Certification) and 2013 c 111 s 2 are each repealed.

33 NEW SECTION. **Sec. 7.** Section 2 of this act expires January 1,  
34 2034.

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