
SUBSTITUTE HOUSE BILL 1639

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Finance (originally sponsored by Representatives B. Thomas, Van Luven, Morris, Horn, Campbell, Kremen and Sheldon)

Read first time 02/27/95.

1 AN ACT Relating to a use tax exemption for vessel manufacturers and
2 dealers; and adding new sections to chapter 82.12 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.12 RCW
5 to read as follows:

6 (1) The tax imposed under RCW 82.12.020 shall not apply to the
7 following uses of a vessel, as defined in RCW 88.02.010, by the
8 manufacturer of the vessel:

9 (a) Activities to test, set-up, repair, remodel, evaluate, or
10 otherwise make a vessel seaworthy, to include performance, endurance,
11 and sink testing, if the vessel is to be held for sale;

12 (b) Training activities of a manufacturer's employees, agents, or
13 subcontractors involved in the development and manufacturing of the
14 manufacturer's vessels, if the vessel is to be held for sale;

15 (c) Activities to promote the sale of the manufacturer's vessels,
16 to include photography and video sessions to be used in promotional
17 materials; traveling directly to and from vessel promotional events for
18 the express purpose of displaying a manufacturer's vessels;

1 (d) Any vessels loaned or donated to a civic, religious, nonprofit,
2 or educational organization for continuous periods of use not exceeding
3 seventy-two hours, or longer if approved by the department; or to
4 vessels loaned or donated to governmental entities;

5 (e) Direct transporting, displaying, or demonstrating any vessel at
6 a wholesale or retail vessel show;

7 (f) Delivery of a vessel to a buyer, vessel manufacturer,
8 registered vessel dealer as defined in RCW 88.02.010, or to any other
9 person involved in the manufacturing or sale of that vessel for the
10 purpose of the manufacturing or sale of that vessel; and

11 (g) Displaying, showing, and operating a vessel for sale to a
12 prospective buyer to include the short-term testing, operating, and
13 examining by a prospective buyer.

14 (2) Subsection (1) of this section shall apply to any trailer or
15 other similar apparatus used to transport, display, show, or operate a
16 vessel, if the trailer or other similar apparatus is held for sale.

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

19 (1) The tax imposed under RCW 82.12.020 shall not apply to the
20 following uses of a vessel, as defined in RCW 88.02.010, by a vessel
21 dealer registered under chapter 88.02 RCW:

22 (a) Activities to test, set-up, repair, remodel, evaluate, or
23 otherwise make a vessel seaworthy, if the vessel is held for sale;

24 (b) Training activity of a dealer's employees, agents, or
25 subcontractors involved in the sale of the dealer's vessels, if the
26 vessel is held for sale;

27 (c) Activities to promote the sale of the dealer's vessels, to
28 include photography and video sessions to be used in promotional
29 materials; traveling directly to and from promotional vessel events for
30 the express purpose of displaying a dealer's vessels for sale, provided
31 it is displayed on the vessel that it is, in fact, for sale and the
32 identification of the registered vessel dealer offering the vessel for
33 sale is also displayed on the vessel;

34 (d) Any vessel loaned or donated to a civic, religious, nonprofit,
35 or educational organization for continuous periods of use not exceeding
36 seventy-two hours, or longer if approved by the department; or to
37 vessels loaned or donated to governmental entities;

1 (e) Direct transporting, displaying, or demonstrating any vessel at
2 a wholesale or retail vessel show;

3 (f) Delivery of a vessel to a buyer, vessel manufacturer,
4 registered vessel dealer as defined in RCW 88.02.010, or to any other
5 person involved in the manufacturing or sale of that vessel for the
6 purpose of the manufacturing or sale of that vessel; and

7 (g) Displaying, showing, and operating a vessel for sale to a
8 prospective buyer to include the short-term testing, operating, and
9 examining by a prospective buyer.

10 (2) Subsection (1) of this section shall apply to any trailer or
11 other similar apparatus used to transport, display, show, or operate a
12 vessel, if the trailer or other similar apparatus is held for sale.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
14 to read as follows:

15 If a vessel held in inventory is used by a vessel dealer or vessel
16 manufacturer for personal use, use tax shall be due based only on the
17 reasonable rental value of the vessel used, but only if the vessel
18 dealer or manufacturer can show that the vessel is truly held for sale
19 and that the dealer or manufacturer is and has been making good faith
20 efforts to sell the vessel. The department may by rule require dealers
21 and manufacturers to provide vessel logs or other documentation showing
22 that vessels are truly held for sale.

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