
SENATE BILL 6199

State of Washington

54th Legislature

1996 Regular Session

By Senator Snyder

Read first time 01/09/96. Referred to Committee on Ways & Means.

1 AN ACT Relating to tax deferrals for a new destination resort
2 hotel; and adding a new chapter to Title 82 RCW.

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

4 NEW SECTION. **Sec. 1.** Unless the context clearly requires
5 otherwise, the definitions in this section apply throughout this
6 chapter.

7 (1) "Applicant" means a person applying for a tax deferral under
8 this chapter.

9 (2) "Person" has the meaning given in RCW 82.04.030.

10 (3) "Department" means the department of revenue.

11 (4) "Investment project" means construction of buildings, site
12 preparation, and the acquisition of related machinery and equipment
13 when the buildings, machinery, and equipment are to be used in the
14 operation of a new destination resort hotel.

15 (5) "New destination resort hotel" means a site for a destination
16 resort hotel located in a county bordering on the Columbia river and
17 the Pacific ocean with a population of less than thirty-five thousand
18 on which construction is commenced before July 1, 1999.

1 (6) "Buildings" means only those new structures that are an
2 essential or an integral part of a destination resort hotel. If a
3 building is used partly for use as an essential or integral part of a
4 destination resort hotel and partly for other purposes, the applicable
5 tax deferral shall be determined by apportionment of the costs of
6 construction under rules adopted by the department.

7 (7) "Machinery and equipment" means all fixtures, equipment, and
8 support facilities that are an integral and necessary part of a
9 destination resort hotel.

10 (8) "Recipient" means a person receiving a tax deferral under this
11 chapter.

12 (9) "Certificate holder" means an applicant to whom a tax deferral
13 certificate has been issued.

14 (10) "Operationally complete" means constructed or improved to the
15 point of being functionally useable as a destination resort hotel.

16 (11) "Initiation of construction" means that date upon which on-
17 site construction commences.

18 NEW SECTION. **Sec. 2.** Application for deferral of taxes under this
19 chapter shall be made to the department in a form and manner prescribed
20 by the department. The application shall contain information regarding
21 the location of the investment project, estimated or actual costs, time
22 schedules for completion and operation, and other information required
23 by the department. The department shall rule on the application within
24 sixty days.

25 NEW SECTION. **Sec. 3.** (1) The department shall issue a sales and
26 use tax deferral certificate for state and local sales and use taxes
27 due under chapters 82.08, 82.12, and 82.14 RCW on each investment
28 project. The use of the certificate shall be governed by rules
29 established by the department.

30 (2) This section shall expire July 1, 1999.

31 NEW SECTION. **Sec. 4.** (1) The recipient shall begin paying the
32 deferred taxes in the fifth year after the date certified by the
33 department as the date on which the investment project is operationally
34 complete. The first payment is due on December 31st of the fifth
35 calendar year after such certified date, with subsequent annual

1 payments due on December 31st of the following five years with amounts
2 of payment scheduled as follows:

3	Repayment Year	% of Deferred Tax Repaid
4	1	20%
5	2	20%
6	3	20%
7	4	20%
8	5	20%

9 (2) The department may authorize an accelerated repayment schedule
10 upon request of the recipient.

11 (3) Interest shall not be charged on any taxes deferred under this
12 chapter for the period of deferral, although all other penalties and
13 interest applicable to delinquent excise taxes may be assessed and
14 imposed for delinquent payments under this chapter. The debt for
15 deferred taxes is not extinguished by insolvency or other failure of
16 the recipient.

17 NEW SECTION. **Sec. 5.** Chapter 82.32 RCW applies to the
18 administration of this chapter.

19 NEW SECTION. **Sec. 6.** Applications and any other information
20 received by the department under this chapter is not confidential and
21 is subject to disclosure.

22 NEW SECTION. **Sec. 7.** The port district, county, and city within
23 which the new destination resort hotel is located shall cooperate to
24 expedite the permit process for the new destination resort hotel. The
25 port district shall be the lead agency.

26 NEW SECTION. **Sec. 8.** If any provision of this act or its
27 application to any person or circumstance is held invalid, the
28 remainder of the act or the application of the provision to other
29 persons or circumstances is not affected.

30 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act shall
31 constitute a new chapter in Title 82 RCW.

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