
SENATE BILL 6191

State of Washington

62nd Legislature

2012 Regular Session

By Senator Ericksen

Read first time 01/13/12. Referred to Committee on Transportation.

1 AN ACT Relating to sales and use taxes related to state
2 transportation projects; amending RCW 47.46.060; adding a new section
3 to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; and
4 declaring an emergency.

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

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

8 (1) The tax levied by RCW 82.08.020 does not apply to charges made
9 for labor and services rendered by any person in respect to the
10 building, repairing, or improving of any street, place, road, highway,
11 easement, right of way, bridge, tunnel, or trestle which is owned by
12 the state or by the United States and which is used or to be used
13 primarily for foot or vehicular traffic, or to sales of tangible
14 personal property that becomes an ingredient or component of the
15 street, place, road, highway, easement, right of way, bridge, tunnel,
16 or trestle during the course of the building, repairing, or improving
17 of any street, place, road, highway, easement, right of way, bridge,
18 tunnel, or trestle.

1 (2) The buyer must provide the seller with an exemption certificate
2 in the form and manner prescribed by the department. The seller must
3 retain a copy of the certificate for the seller's records.

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

6 The provisions of this chapter do not apply with respect to the use
7 of tangible personal property that becomes an ingredient or component
8 of the street, place, road, highway, easement, right of way, bridge,
9 tunnel, or trestle which is owned by the state or by the United States
10 and which is used or to be used primarily for foot or vehicular
11 traffic, or to sales of tangible personal property that becomes an
12 ingredient or component of the street, place, road, highway, easement,
13 right of way, bridge, tunnel, or trestle during the course of the
14 building, repairing, or improving of any street, place, road, highway,
15 easement, right of way, bridge, tunnel, or trestle.

16 **Sec. 3.** RCW 47.46.060 and 2002 c 114 s 18 are each amended to read
17 as follows:

18 (1) Any person, including the department of transportation and any
19 private entity or entities, may apply for deferral of taxes on the site
20 preparation for, the construction of, the acquisition of any related
21 machinery and equipment (~~((which will))~~) that becomes a part of, and the
22 rental of equipment for use in the state route number 16 corridor
23 improvements project under this chapter. Application (~~((shall))~~) must be
24 made to the department of revenue in a form and manner prescribed by
25 the department of revenue. The application (~~((shall))~~) must contain
26 information regarding estimated or actual costs, time schedules for
27 completion and operation, and other information required by the
28 department of revenue. The department of revenue (~~((shall))~~) must
29 approve the application within sixty days if it meets the requirements
30 of this section.

31 (2) The department of revenue (~~((shall))~~) must issue a sales and use
32 tax deferral certificate for state and local sales and use taxes due
33 under chapters 82.08, 82.12, and 82.14 RCW on the project.

34 (3) The department of transportation or a private entity granted a
35 tax deferral under this section (~~((shall))~~) must begin paying the
36 deferred taxes in the fifth year after the date certified by the

1 department of revenue as the date on which the project is operationally
2 complete. The first payment is due on December 31st of the fifth
3 calendar year after such certified date, with subsequent annual
4 payments due on December 31st of the following nine years. Each
5 payment (~~shall~~) must equal ten percent of the deferred tax. The
6 project is operationally complete under this section when the
7 collection of tolls is commenced for the state route number 16
8 improvements covered by the deferral.

9 (4) The department of revenue may authorize an accelerated
10 repayment schedule upon request of the department of transportation or
11 a private entity granted a deferral under this section.

12 (5) Interest (~~shall~~) may not be charged on any taxes deferred
13 under this section for the period of deferral, although all other
14 penalties and interest applicable to delinquent excise taxes may be
15 assessed and imposed for delinquent payments under this section. The
16 debt for deferred taxes is not extinguished by insolvency or other
17 failure of the private entity. Transfer of ownership does not
18 terminate the deferral.

19 (6) Applications and any other information received by the
20 department of revenue under this section are not confidential and are
21 subject to disclosure. Chapter 82.32 RCW applies to the administration
22 of this section.

23 (7) Taxes due under chapters 82.08 and 82.12 RCW on the site
24 preparation for, the construction of, the acquisition of any related
25 machinery and equipment that will become a part of, and the rental of
26 equipment for use in the state route number 16 corridor improvements
27 project for which a deferral has been granted need not be repaid.

28 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of the
30 state government and its existing public institutions, and takes effect
31 immediately.

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