

# FINAL BILL REPORT

## SHB 1119

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Synopsis as Enacted

C 74 L 93

**Brief Description:** Prohibiting state agencies from accepting advertising from unregistered sellers.

By House Committee on State Government (originally sponsored by Representatives Fuhrman, G. Fisher, King, Van Luven, Anderson, Foreman, Reams, G. Cole, Lisk, Jones, Sheldon, Wang, Sheahan, Kremen, Quall, Riley, Appelwick, Leonard, Valle, Chandler, Ballard, Schmidt, Chappell, Basich, Morton, Heavey, Rust, Silver, Carlson, Padden, Vance, Mielke, Wood, Brumsickle, Tate, Forner, Cooke, Long, Rayburn, Zellinsky, Brown, Brough, Franklin, J. Kohl, Edmondson, Springer, Holm, R. Fisher, Horn, Talcott, Shin, Romero, Karahalios, Kessler, Johanson and Miller).

House Committee on State Government  
Senate Committee on Government Operations

**Background:** In 1992, the Supreme Court of the United States ruled in the Quill decision that states do not have the authority to require that out-of-state mail order companies collect use taxes on goods sold to state residents. The court held that only Congress can impose such a requirement. States may only compel collection of state taxes if the mail-order company has a "physical presence" in the state such as offices, warehouses, real or personal property, agents or employees.

Certain state agency publications contain advertisements from out-of-state mail order companies. Competing in-state companies are not exempted from collecting state sales tax.

All persons who engage in business in the state are required to obtain a certificate of registration from the Department of Revenue.

**Summary:** State agencies are prohibited from accepting advertisements for placement in state publications unless the advertiser: (1) has obtained a certificate of registration from the Department of Revenue; and (2) if the advertiser is not required to collect state sales or use tax, agrees to either collect and remit the use tax or provide quarterly a list of Washington customers. This prohibition only applies to advertisements that solicit orders or offer items for sale.

**Votes on Final Passage:**

House	89	8
Senate	40	4

**Effective:** July 1, 1993