

2 **2SHB 1328 - H AMD 1011 ADOPTED**

3 By Representative

4

5 Strike everything after the enacting clause and insert the
6 following:

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
8 to read as follows:

9 Upon every person engaging within this state in the business of
10 making wholesale sales to farmers of seed conditioned for use in
11 planting and not packaged for retail sale, or in the business of
12 conditioning seed for planting owned by others; the tax imposed shall
13 be equal to the gross proceeds derived from such sales multiplied by
14 the rate of 0.011 percent.

15 For the purposes of this section, "seed" means seed potatoes and
16 all other "agricultural seed" as defined in RCW 15.49.011. "Seed" does
17 not include "flower seeds" or "vegetable seeds" as defined in RCW
18 15.49.011, or any other seeds or propagative portions of plants used to
19 grow ornamental flowers or used to grow any type of bush, moss, fern,
20 shrub, or tree.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
22 to read as follows:

23 (1) This chapter does not apply to amounts received by a person
24 engaging within this state in the business of: (a) Making wholesale
25 sales to farmers of seed conditioned for use in planting and not
26 packaged for retail sale; or (b) conditioning seed for planting owned
27 by others.

28 (2) For the purposes of this section, "seed" means seed potatoes
29 and all other "agricultural seed" as defined in RCW 15.49.011. "Seed"
30 does not include "flower seeds" or "vegetable seeds" as defined in RCW
31 15.49.011, or any other seeds or propagative portions of plants used to
32 grow ornamental flowers or used to grow any type of bush, moss, fern,
33 shrub, or tree.

1 **Sec. 3.** RCW 82.04.290 and 1997 c 7 s 2 are each amended to read as
2 follows:

3 (1) Upon every person engaging within this state in the business of
4 providing international investment management services, as to such
5 persons, the amount of tax with respect to such business shall be equal
6 to the gross income or gross proceeds of sales of the business
7 multiplied by a rate of 0.275 percent.

8 (2) Upon every person engaging within this state in any business
9 activity other than or in addition to those enumerated in RCW
10 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270,
11 (~~and~~) 82.04.280, and section 1 of this act, and subsection (1) of
12 this section; as to such persons the amount of tax on account of such
13 activities shall be equal to the gross income of the business
14 multiplied by the rate of 1.5 percent.

15 This section includes, among others, and without limiting the scope
16 hereof (whether or not title to materials used in the performance of
17 such business passes to another by accession, confusion or other than
18 by outright sale), persons engaged in the business of rendering any
19 type of service which does not constitute a "sale at retail" or a "sale
20 at wholesale." The value of advertising, demonstration, and
21 promotional supplies and materials furnished to an agent by his
22 principal or supplier to be used for informational, educational and
23 promotional purposes shall not be considered a part of the agent's
24 remuneration or commission and shall not be subject to taxation under
25 this section.

26 **Sec. 4.** RCW 82.04.260 and 1996 c 148 s 2 and 1996 c 115 s 1 are
27 each reenacted and amended to read as follows:

28 (1) Upon every person engaging within this state in the business of
29 buying wheat, oats, dry peas, dry beans, lentils, triticale, canola,
30 corn, rye and barley, but not including any manufactured (~~or~~
31 ~~processed~~) products thereof, and selling the same at wholesale; the
32 tax imposed shall be equal to the gross proceeds derived from such
33 sales multiplied by the rate of 0.011 percent.

34 (2) Upon every person engaging within this state in the business of
35 manufacturing wheat into flour, barley into pearl barley, soybeans into
36 soybean oil, canola into canola oil, canola meal, or canola byproducts,
37 or sunflower seeds into sunflower oil; as to such persons the amount of
38 tax with respect to such business shall be equal to the value of the

1 flour, pearl barley, oil, canola meal, or canola byproduct
2 manufactured, multiplied by the rate of 0.138 percent.

3 (3) Upon every person engaging within this state in the business of
4 splitting or processing dried peas; as to such persons the amount of
5 tax with respect to such business shall be equal to the value of the
6 peas split or processed, multiplied by the rate of 0.275 percent.

7 (4) Upon every person engaging within this state in the business of
8 manufacturing seafood products which remain in a raw, raw frozen, or
9 raw salted state at the completion of the manufacturing by that person;
10 as to such persons the amount of tax with respect to such business
11 shall be equal to the value of the products manufactured, multiplied by
12 the rate of 0.138 percent.

13 (5) Upon every person engaging within this state in the business of
14 manufacturing by canning, preserving, freezing, processing, or
15 dehydrating fresh fruits and vegetables, or selling at wholesale fresh
16 fruits and vegetables canned, preserved, frozen, processed, or
17 dehydrated by the seller and sold to purchasers who transport in the
18 ordinary course of business the goods out of this state; as to such
19 persons the amount of tax with respect to such business shall be equal
20 to the value of the products canned, preserved, frozen, processed, or
21 dehydrated multiplied by the rate of 0.33 percent. As proof of sale to
22 a person who transports in the ordinary course of business goods out of
23 this state, the seller shall annually provide a statement in a form
24 prescribed by the department and retain the statement as a business
25 record.

26 (6) Upon every nonprofit corporation and nonprofit association
27 engaging within this state in research and development, as to such
28 corporations and associations, the amount of tax with respect to such
29 activities shall be equal to the gross income derived from such
30 activities multiplied by the rate of 0.484 percent.

31 (7) Upon every person engaging within this state in the business of
32 slaughtering, breaking and/or processing perishable meat products
33 and/or selling the same at wholesale only and not at retail; as to such
34 persons the tax imposed shall be equal to the gross proceeds derived
35 from such sales multiplied by the rate of 0.138 percent.

36 (8) Upon every person engaging within this state in the business of
37 making sales, at retail or wholesale, of nuclear fuel assemblies
38 manufactured by that person, as to such persons the amount of tax with

1 respect to such business shall be equal to the gross proceeds of sales
2 of the assemblies multiplied by the rate of 0.275 percent.

3 (9) Upon every person engaging within this state in the business of
4 manufacturing nuclear fuel assemblies, as to such persons the amount of
5 tax with respect to such business shall be equal to the value of the
6 products manufactured multiplied by the rate of 0.275 percent.

7 (10) Upon every person engaging within this state in the business
8 of acting as a travel agent or tour operator; as to such persons the
9 amount of the tax with respect to such activities shall be equal to the
10 gross income derived from such activities multiplied by the rate of
11 0.275 percent.

12 (11) Upon every person engaging within this state in business as an
13 international steamship agent, international customs house broker,
14 international freight forwarder, vessel and/or cargo charter broker in
15 foreign commerce, and/or international air cargo agent; as to such
16 persons the amount of the tax with respect to only international
17 activities shall be equal to the gross income derived from such
18 activities multiplied by the rate of 0.363 percent.

19 (12) Upon every person engaging within this state in the business
20 of stevedoring and associated activities pertinent to the movement of
21 goods and commodities in waterborne interstate or foreign commerce; as
22 to such persons the amount of tax with respect to such business shall
23 be equal to the gross proceeds derived from such activities multiplied
24 by the rate of 0.363 percent. Persons subject to taxation under this
25 subsection shall be exempt from payment of taxes imposed by chapter
26 82.16 RCW for that portion of their business subject to taxation under
27 this subsection. Stevedoring and associated activities pertinent to
28 the conduct of goods and commodities in waterborne interstate or
29 foreign commerce are defined as all activities of a labor, service or
30 transportation nature whereby cargo may be loaded or unloaded to or
31 from vessels or barges, passing over, onto or under a wharf, pier, or
32 similar structure; cargo may be moved to a warehouse or similar holding
33 or storage yard or area to await further movement in import or export
34 or may move to a consolidation freight station and be stuffed,
35 unstuffed, containerized, separated or otherwise segregated or
36 aggregated for delivery or loaded on any mode of transportation for
37 delivery to its consignee. Specific activities included in this
38 definition are: Wharfage, handling, loading, unloading, moving of
39 cargo to a convenient place of delivery to the consignee or a

1 convenient place for further movement to export mode; documentation
2 services in connection with the receipt, delivery, checking, care,
3 custody and control of cargo required in the transfer of cargo;
4 imported automobile handling prior to delivery to consignee; terminal
5 stevedoring and incidental vessel services, including but not limited
6 to plugging and unplugging refrigerator service to containers,
7 trailers, and other refrigerated cargo receptacles, and securing ship
8 hatch covers.

9 (13) Upon every person engaging within this state in the business
10 of disposing of low-level waste, as defined in RCW 43.145.010; as to
11 such persons the amount of the tax with respect to such business shall
12 be equal to the gross income of the business, excluding any fees
13 imposed under chapter 43.200 RCW, multiplied by the rate of 3.3
14 percent.

15 If the gross income of the taxpayer is attributable to activities
16 both within and without this state, the gross income attributable to
17 this state shall be determined in accordance with the methods of
18 apportionment required under RCW 82.04.460.

19 (14) Upon every person engaging within this state as an insurance
20 agent, insurance broker, or insurance solicitor licensed under chapter
21 48.17 RCW; as to such persons, the amount of the tax with respect to
22 such licensed activities shall be equal to the gross income of such
23 business multiplied by the rate of 0.55 percent.

24 (15) Upon every person engaging within this state in business as a
25 hospital, as defined in chapter 70.41 RCW, that is operated as a
26 nonprofit corporation or by the state or any of its political
27 subdivisions, as to such persons, the amount of tax with respect to
28 such activities shall be equal to the gross income of the business
29 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
30 percent thereafter. The moneys collected under this subsection shall
31 be deposited in the health services account created under RCW
32 43.72.900.

33 NEW SECTION. **Sec. 5.** (1) Sections 1 and 3 of this act take effect
34 only if House Bill No. 2335 fails to become law.

35 (2) Section 2 of this act takes effect only if House Bill No. 2335
36 becomes law.

37 NEW SECTION. **Sec. 6.** This act takes effect July 1, 1998."

1 Correct the title.

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