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HOUSE BILL 2006

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Thompson, Van Luven, McMorris, Cooke, Mulliken, Sheldon, Dunn and Pennington

Read first time 02/18/97. Referred to Committee on Finance.

1 AN ACT Relating to sales and use tax exemptions; adding a new  
2 section to chapter 82.08 RCW; adding a new section to chapter 82.12  
3 RCW; providing an effective date; and declaring an emergency.

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

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

7 (1) The tax levied by RCW 82.08.020 shall not apply to the  
8 construction of new structures and expansion or renovation of existing  
9 structures for the purpose of increasing floor space or production  
10 capacity used in a professional laundry operation, including plant  
11 offices and warehouses or other on-site facilities that are essential  
12 or an integral part of the professional laundry operation, but only if  
13 the user provides the department with an exemption certificate in a  
14 form and manner prescribed by the department prior to the start of  
15 construction, expansion, or renovation of the structure.

16 (2) The tax levied by RCW 82.08.020 shall not apply to sales of  
17 machinery and equipment that is used directly in a professional laundry  
18 operation, or to sales of or charges made for labor and services  
19 rendered in respect to installing the machinery and equipment, but only

1 when the purchaser provides the seller with an exemption certificate in  
2 a form and manner prescribed by the department by rule, and the  
3 purchaser provides the department with a duplicate of the certificate  
4 or a summary of exempt sales as the department may require. The seller  
5 shall retain a copy of the certificate for the seller's files.

6 (3) For purposes of this section and section 2 of this act:

7 (a) "Machinery and equipment" means industrial fixtures, devices,  
8 and support facilities, and tangible personal property that becomes an  
9 ingredient or component thereof. "Machinery and equipment" includes  
10 pollution control equipment installed and used in a professional  
11 laundry operation to prevent air pollution, water pollution, or  
12 contamination that might otherwise result from the processing  
13 operation;

14 (b) "Machinery and equipment" does not include:

15 (i) Hand tools;

16 (ii) Property with a useful life of less than one year;

17 (iii) Buildings, other than machinery and equipment that is  
18 permanently affixed to or becomes a physical part of a building; and

19 (iv) Building fixtures that are not integral to the processing  
20 operation that are permanently affixed to and become a physical part of  
21 a building, such as utility systems for heating, ventilation, air  
22 conditioning, communications, plumbing, or electrical;

23 (c) "Professional laundry operation" means the washing and  
24 finishing of articles that are packaged for shipment by a commercial or  
25 industrial laundry. The term does not include coin-operated  
26 facilities.

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

29 (1) The provisions of this chapter shall not apply in respect to  
30 the construction of new structures and expansion or renovation of  
31 existing structures for the purpose of increasing floor space or  
32 production capacity used in a professional laundry operation, including  
33 plant offices and warehouses or other on-site facilities that are  
34 essential or an integral part of the professional laundry operation.  
35 To qualify for the exemption under this subsection, the user must  
36 provide the department with an exemption certificate in a form and  
37 manner prescribed by the department prior to the start of construction,  
38 expansion, or renovation of the structure.

1 (2) The provisions of this chapter shall not apply in respect to  
2 the use by a processor for hire of machinery and equipment used  
3 directly in a professional laundry operation, but only when the user  
4 provides the department with an exemption certificate in a form and  
5 manner prescribed by the department within sixty days of the first use  
6 of the machinery and equipment or an annual summary listing the  
7 machinery and equipment by January 31 of the year following the  
8 calendar year in which the machinery and equipment is first used in  
9 this state.

10 (3) The definitions in section 1 of this act apply to this section.

11 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
12 preservation of the public peace, health, or safety, or support of the  
13 state government and its existing public institutions, and takes effect  
14 July 1, 1997.

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