
SUBSTITUTE HOUSE BILL 3015

State of Washington

55th Legislature

1998 Regular Session

By House Committee on Transportation Policy & Budget (originally sponsored by Representatives Huff, Fisher, K. Schmidt, Zellinsky, Talcott, Carrell, Johnson, Kessler, Lantz and Eickmeyer)

Read first time 02/09/98. Referred to Committee on .

1 AN ACT Relating to tax exemptions for the state route number 16
2 corridor; amending RCW 84.36.010; adding a new section to chapter 35.21
3 RCW; adding a new section to chapter 82.04 RCW; adding a new section to
4 chapter 47.46 RCW; adding a new section to chapter 82.16 RCW; adding a
5 new section to chapter 82.29A RCW; adding a new section to chapter
6 82.45 RCW; and creating new sections.

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

8 NEW SECTION. **Sec. 1.** The legislature finds and declares that the
9 people of the state may not enjoy the full benefits of public-private
10 initiative for state route number 16 corridor improvements due to the
11 many taxes that may apply to this project. Generally these taxes would
12 not apply if the state built these projects through traditional
13 financing and construction methods. These tax exemptions will reduce
14 the cost of the project, allow lower tolls, and reduce the time for
15 which tolls are charged.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.21 RCW
17 to read as follows:

1 A city or town may not impose a tax on amounts received from
2 operating state route number 16 corridor transportation systems and
3 facilities constructed and operated under chapter 47.46 RCW.

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04 RCW
5 to read as follows:

6 This chapter does not apply to amounts received from operating
7 state route number 16 corridor transportation systems and facilities
8 constructed and operated under chapter 47.46 RCW.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.46 RCW
10 to read as follows:

11 (1) A private entity that is party to an agreement under this
12 chapter may apply for deferral of taxes on the site preparation for,
13 the construction of, the acquisition of any related machinery and
14 equipment which will become a part of, and the rental of equipment for
15 use in the state route number 16 corridor improvements project under
16 this chapter. Application shall be made to the department of revenue
17 in a form and manner prescribed by the department of revenue. The
18 application shall contain information regarding estimated or actual
19 costs, time schedules for completion and operation, and other
20 information required by the department of revenue. The department of
21 revenue shall approve the application within sixty days if it meets the
22 requirements of this section.

23 (2) The department of revenue shall issue a sales and use tax
24 deferral certificate for state and local sales and use taxes due under
25 chapters 82.08, 82.12, and 82.14 RCW on the project. The use of the
26 certificate shall be governed by rules established by the department of
27 revenue.

28 (3) A private entity granted a tax deferral under this section
29 shall begin paying the deferred taxes in the fifth year after the date
30 certified by the department of revenue as the date on which the project
31 is operationally complete. The first payment is due on December 31st
32 of the fifth calendar year after such certified date, with subsequent
33 annual payments due on December 31st of the following nine years. Each
34 payment shall equal ten percent of the deferred tax.

35 (4) The department of revenue may authorize an accelerated
36 repayment schedule upon request of a private entity granted a deferral
37 under this section.

1 (5) Interest shall not be charged on any taxes deferred under this
2 section for the period of deferral, although all other penalties and
3 interest applicable to delinquent excise taxes may be assessed and
4 imposed for delinquent payments under this section. The debt for
5 deferred taxes is not extinguished by insolvency or other failure of
6 the private entity.

7 (6) Applications and any other information received by the
8 department of revenue under this section are not confidential and are
9 subject to disclosure. Chapter 82.32 RCW applies to the administration
10 of this section.

11 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.16 RCW
12 to read as follows:

13 The provisions of this chapter do not apply to amounts received
14 from operating state route number 16 corridor transportation systems
15 and facilities constructed and operated under chapter 47.46 RCW.

16 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.29A RCW
17 to read as follows:

18 All leasehold interests in the state route number 16 corridor
19 transportation systems and facilities constructed and operated under
20 chapter 47.46 RCW are exempt from tax under this chapter.

21 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.45 RCW
22 to read as follows:

23 Sales of the state route number 16 corridor transportation systems
24 and facilities constructed under chapter 47.46 RCW are exempt from tax
25 under this chapter.

26 **Sec. 8.** RCW 84.36.010 and 1990 c 47 s 2 are each amended to read
27 as follows:

28 All property belonging exclusively to the United States, the state,
29 any county or municipal corporation, all state route number 16 corridor
30 transportation systems and facilities constructed under chapter 47.46
31 RCW, and all property under a financing contract pursuant to chapter
32 39.94 RCW or recorded agreement granting immediate possession and use
33 to said public bodies or under an order of immediate possession and use
34 pursuant to RCW 8.04.090, shall be exempt from taxation. All property
35 belonging exclusively to a foreign national government shall be exempt

1 from taxation if such property is used exclusively as an office or
2 residence for a consul or other official representative of such foreign
3 national government, and if the consul or other official representative
4 is a citizen of such foreign nation.

5 NEW SECTION. **Sec. 9.** Section 8 of this act is effective for taxes
6 levied for collection in 1999 and thereafter.

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