
HOUSE BILL 3081

State of Washington 55th Legislature 1998 Regular Session

By Representatives Scott, Dunshee and D. Schmidt

Read first time . Referred to Committee on .

1 AN ACT Relating to exempting local governments from the state share
2 of the sales tax on labor and services related to the construction of
3 voter-approved projects; amending RCW 81.104.170; adding a new section
4 to chapter 82.08 RCW; adding a new section to chapter 82.14 RCW; adding
5 a new section to chapter 82.32 RCW; creating a new section; and
6 providing an effective date.

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

8 NEW SECTION. **Sec. 1.** It is the legislature's intent to provide to
9 local government a partial exemption from the state share of the retail
10 sales tax on construction of voter-approved public facilities.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
12 to read as follows:

13 The tax levied by RCW 82.08.020 does not apply to sales of or
14 charges made for labor and services for the land clearing, earth
15 moving, site preparation, constructing, repairing, decorating,
16 renovating, expanding, or improving of new or existing buildings,
17 structures, or facilities under, upon, or above real property of or for
18 a municipal corporation or political subdivision of the state and which

1 project is to be funded in whole or in part by a property tax levy or
2 general obligation bonds approved by the voters under Article VII of
3 the state Constitution.

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.14 RCW
5 to read as follows:

6 The exemption in section 2 of this act is for the state portion of
7 the sales tax and does not extend to the tax imposed in this chapter.

8 **Sec. 4.** RCW 81.104.170 and 1997 c 450 s 5 are each amended to read
9 as follows:

10 Cities that operate transit systems, county transportation
11 authorities, metropolitan municipal corporations, public transportation
12 benefit areas, and regional transit authorities may submit an
13 authorizing proposition to the voters and if approved by a majority of
14 persons voting, fix and impose a sales and use tax in accordance with
15 the terms of this chapter, solely for the purpose of providing high
16 capacity transportation service.

17 The tax authorized pursuant to this section shall be in addition to
18 the tax authorized by RCW 82.14.030 and shall be collected from those
19 persons who are taxable by the state pursuant to chapters 82.08 and
20 82.12 RCW upon the occurrence of any taxable event within the taxing
21 district. The maximum rate of such tax shall be approved by the voters
22 and shall not exceed one percent of the selling price (in the case of
23 a sales tax) or value of the article used (in the case of a use tax).
24 The maximum rate of such tax that may be imposed shall not exceed
25 nine-tenths of one percent in any county that imposes a tax under RCW
26 82.14.340, or within a regional transit authority if any county within
27 the authority imposes a tax under RCW 82.14.340. The exemptions in RCW
28 82.08.820 and 82.12.820 are for the state portion of the sales and use
29 tax and do not extend to the tax authorized in this section.

30 The exemption in section 2 of this act is for the state portion of
31 the sales tax and does not extend to the tax imposed in this chapter.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.32 RCW
33 to read as follows:

34 The department may develop and institute a tax reporting method
35 whereby the taxpayer uses deductions, credits, or other accounting
36 techniques, as directed by the department, to allow the department to

1 administer, and the taxpayer to report, sales tax as affected by
2 section 2 of this act simply and efficiently. Taxpayers who are
3 entitled to this exemption and sellers shall keep their records in a
4 form and manner as directed by the department so that the department
5 can distinguish between taxable and exempt transactions.

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

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