
SENATE BILL 5880

State of Washington

55th Legislature

1997 Regular Session

By Senators Strannigan, Long, Benton, Prentice, Roach, Patterson, Wood, Schow, Winsley, Johnson, Swanson, Horn, Rasmussen and Oke

Read first time 02/18/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to mitigation of fiscal impacts to cities of the
2 manufacturing machinery and equipment tax exemptions; adding a new
3 section to chapter 82.14 RCW; and making appropriations.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.14 RCW
6 to read as follows:

7 (1) For purposes of this section, "machinery and equipment
8 exemptions" means the sales and use tax exemptions for manufacturing
9 machinery and equipment provided in RCW 82.08.02565 and 82.12.02565 and
10 sales and use tax deferrals for manufacturing machinery and equipment
11 provided in chapters 82.60 and 82.63 RCW.

12 (2) A city that imposes the sales and use tax under RCW 82.14.030
13 is eligible to receive payment from the state treasurer, from amounts
14 appropriated by the legislature for that purpose, for a portion of the
15 revenues lost as a result of the machinery and equipment exemptions.
16 To be eligible, a city's annualized loss as a result of the machinery
17 and equipment exemptions must equal or exceed three percent of the
18 city's 1995 sales and use tax collections.

1 (3) The calculated loss for a city is equal to an amount that, when
2 added to the annualized loss amount, is sufficient to reduce the city's
3 actual loss to three percent of the city's 1995 sales and use tax
4 collections. This calculated loss may not exceed one million three
5 hundred thousand dollars.

6 (4) Total distributions under this section to cities shall not
7 exceed four million dollars for calendar year 1996, three million
8 dollars for calendar year 1997, and two million dollars for calendar
9 year 1998. If amounts appropriated by the legislature are insufficient
10 to pay the full amount to which all cities are eligible, the payment to
11 each eligible city shall be reduced in equal proportions based on the
12 calculated loss of the city, as determined by the department of
13 revenue.

14 (5) For purposes of subsection (2) of this section, sales and use
15 tax collections by the city shall be deemed to include sales and use
16 tax equalization funds distributed to the city pursuant to RCW
17 82.14.210.

18 (6) Upon application of a city, the department shall certify to the
19 state treasurer the amount of payment for which the city is eligible
20 and the state treasurer shall pay, from amounts appropriated for that
21 purpose, the amount to the treasurer of the city by September 1, 1997,
22 for calendar year 1996, by March 1, 1998, for calendar year 1997, and
23 by March 1, 1999, for calendar year 1998.

24 (7) The department shall by rule establish application procedures
25 and methods for determining amounts for which cities are eligible under
26 this section.

27 NEW SECTION. **Sec. 2.** (1) The sum of seven million dollars, or as
28 much thereof as may be necessary, is appropriated from the general fund
29 to the department of revenue for the fiscal year ending June 30, 1998,
30 to carry out the purposes of this act.

31 (2) The sum of two million dollars, or as much thereof as may be
32 necessary, is appropriated from the general fund to the department of
33 revenue for the fiscal year ending June 30, 1999, to carry out the
34 purposes of this act.

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