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**SENATE BILL 6442**

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**State of Washington**

**55th Legislature**

**1998 Regular Session**

**By** Senators Franklin, Winsley, Loveland, Fairley, Prentice, Thibaudeau, Kohl, Kline, Snyder, Heavey, Schow, T. Sheldon, Patterson, Rasmussen, Goings, Hargrove, McAuliffe, Spanel and B. Sheldon

Read first time 01/19/98. Referred to Committee on Financial Institutions, Insurance & Housing.

1 AN ACT Relating to low-cost housing for low-income buyers; adding  
2 new sections to chapter 82.04 RCW; adding a new section to chapter  
3 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new  
4 section to chapter 82.45 RCW; and adding a new section to chapter 82.46  
5 RCW.

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

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

9 (1) There is credited against the tax imposed under this chapter,  
10 for the benefit of the owner-seller at the time of sale, a fifty  
11 percent credit against the tax due from the sale of a newly constructed  
12 unit of low-cost housing to a low-income buyer. The application for  
13 tax credits under this section shall be made in a form and manner  
14 prescribed by the department.

15 (2) For the purpose of this section:

16 (a) "Low-cost housing" means housing that has a listed sales price  
17 of no more than two-thirds the mean sales price for homes in the county  
18 where the housing is located, adjusted annually.

1 (b) "Low-income buyer" means a buyer who has an income of no more  
2 than eighty percent of the median family income, adjusted for household  
3 size, for the county or standard metropolitan statistical area where  
4 the house is located.

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

7 (1) There is credited against the tax imposed under this chapter,  
8 twenty-five percent of the value donated for the provision in this  
9 state of low-cost housing to low-income buyers. The donation must be  
10 made to a nonprofit organization that devotes a majority of its  
11 resources to housing construction. The department shall make available  
12 to prospective donors a list of nonprofit organizations that qualify as  
13 nonprofit organizations devoting a majority of their resources to  
14 housing construction.

15 (2) For the purpose of this section:

16 (a) "Low-cost housing" means housing that has a listed sales price  
17 of no more than two-thirds the mean sales price for homes in the county  
18 where the housing is located, adjusted annually.

19 (b) "Low-income buyer" means a buyer who has an income of no more  
20 than eighty percent of the median family income, adjusted for household  
21 size, for the county or standard metropolitan statistical area where  
22 the house is located.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.08 RCW  
24 to read as follows:

25 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
26 construction materials or charges made for labor and services used in  
27 the construction of a unit of low-cost housing, but only if the buyer  
28 provides the seller with an exemption certificate in a form and manner  
29 prescribe by the department by rule.

30 (2) In making rules to implement this section the department shall  
31 require that the tax shall be immediately due and payable together with  
32 interest and penalties if the unit of low-cost housing being  
33 constructed is not sold to a low-income buyer by the seller who has  
34 claimed the exemption.

35 (3) For the purpose of this section:

1 (a) "Low-cost housing" means housing that has a listed sales price  
2 of no more than two-thirds the mean sales price for homes in the county  
3 where the housing is located, adjusted annually.

4 (b) "Low-income buyer" means a buyer who has an income of no more  
5 than eighty percent of the median family income, adjusted for household  
6 size, for the county or standard metropolitan statistical area where  
7 the house is located.

8 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.12 RCW  
9 to read as follows:

10 (1) The provisions of this chapter do not apply to the use of  
11 construction materials or labor and services used in the construction  
12 of a unit of low-cost housing, but only if the buyer provides the  
13 seller with an exemption certificate in a form and manner prescribed by  
14 the department by rule.

15 (2) In making rules to implement this section the department shall  
16 require that the tax shall be immediately due and payable together with  
17 interest and penalties if the unit of low-cost housing being  
18 constructed is not sold to a low-income buyer by the seller who has  
19 claimed the exemption.

20 (3) For the purpose of this section:

21 (a) "Low-cost housing" means housing that has a listed sales price  
22 of no more than two-thirds the mean sales price for homes in the county  
23 where the housing is located, adjusted annually.

24 (b) "Low-income buyer" means a buyer who has an income of no more  
25 than eighty percent of the median family income, adjusted for household  
26 size, for the county or standard metropolitan statistical area where  
27 the house is located.

28 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.45 RCW  
29 to read as follows:

30 (1) A tax imposed under this chapter does not apply to sales of  
31 low-cost housing to low-income buyers.

32 (2) For the purpose of this section:

33 (a) "Low-cost housing" means housing that has a listed sales price  
34 of no more than two-thirds the mean sales price for homes in the county  
35 where the housing is located, adjusted annually.

36 (b) "Low-income buyer" means a buyer who has an income of no more  
37 than eighty percent of the median family income, adjusted for household

1 size, for the county or standard metropolitan statistical area where  
2 the house is located.

3 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.46 RCW  
4 to read as follows:

5 (1) A tax imposed under this chapter does not apply to sales of  
6 low-cost housing to low-income buyers.

7 (2) For the purpose of this section:

8 (a) "Low-cost housing" means housing that has a listed sales price  
9 of no more than two-thirds the mean sales price for homes in the county  
10 where the housing is located, adjusted annually.

11 (b) "Low-income buyer" means a buyer who has an income of no more  
12 than eighty percent of the median family income, adjusted for household  
13 size, for the county or standard metropolitan statistical area where  
14 the house is located.

15 NEW SECTION. **Sec. 7.** If any provision of this act or its  
16 application to any person or circumstance is held invalid, the  
17 remainder of the act or the application of the provision to other  
18 persons or circumstances is not affected.

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