
HOUSE BILL 2323

State of Washington

56th Legislature

2000 Regular Session

By Representatives Thomas, DeBolt and Carrell

Prefiled 12/22/1999. Read first time 01/10/2000. Referred to
Committee on Finance.

1 AN ACT Relating to sales tax exemptions and refunds for
2 nonresidents; amending RCW 82.08.0273; and providing an effective date.

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

4 **Sec. 1.** RCW 82.08.0273 and 1993 c 444 s 1 are each amended to read
5 as follows:

6 (1) (~~The tax levied by RCW 82.08.020 shall not apply to sales to~~)
7 Nonresidents of this state are eligible for an exemption in the form of
8 a remittance of state and local sales tax paid on purchases of tangible
9 personal property for use outside this state when the purchaser (a) is
10 a bona fide resident of a state or possession or Province of Canada
11 other than the state of Washington and such state, possession, or
12 Province of Canada does not impose a retail sales tax or use tax of
13 three percent or more or, if imposing such a tax, permits Washington
14 residents exemption from otherwise taxable sales by reason of their
15 residence, and (b) ((agrees, when requested,)) applies to the
16 department for remittance of the tax paid. In the application, the
17 purchaser must agree to grant the department of revenue access to such
18 records and other forms of verification at his or her place of

1 residence to assure that such purchases are not first used
2 substantially in the state of Washington.

3 ~~(2)((a) Any person claiming exemption from retail sales tax under~~
4 ~~the provisions of this section must display proof of his or her current~~
5 ~~nonresident status as herein provided.~~

6 ~~(b) Acceptable proof of a nonresident person's status shall include~~
7 ~~one piece of identification such as a valid driver's license from the~~
8 ~~jurisdiction in which the out-of-state residency is claimed or a valid~~
9 ~~identification card which has a photograph of the holder and is issued~~
10 ~~by the out-of-state jurisdiction. Identification under this subsection~~
11 ~~(2)(b) must show the holder's residential address and have as one of~~
12 ~~its legal purposes the establishment of residency in that out-of-state~~
13 ~~jurisdiction.~~

14 ~~(3) Nothing in this section requires the vendor to make tax exempt~~
15 ~~retail sales to nonresidents. A vendor may choose to make sales to~~
16 ~~nonresidents, collect the sales tax, and remit the amount of sales tax~~
17 ~~collected to the state as otherwise provided by law. If the vendor~~
18 ~~chooses to make a sale to a nonresident without collecting the sales~~
19 ~~tax, the vendor shall, in good faith, examine the proof of~~
20 ~~nonresidence, determine whether the proof is acceptable under~~
21 ~~subsection (2)(b) of this section, and maintain records for each~~
22 ~~nontaxable sale which shall show the type of proof accepted, including~~
23 ~~any identification numbers where appropriate, and the expiration date,~~
24 ~~if any.~~

25 ~~(4)(a)) Any person making fraudulent statements((, which includes~~
26 ~~the offer of fraudulent identification or fraudulently procured~~
27 ~~identification to a vendor, in order to purchase goods without paying~~
28 ~~retail sales tax)) to obtain a remittance of tax under this section~~
29 ~~shall be guilty of perjury. Any person ((making tax exempt purchases~~
30 ~~under this section by displaying proof of identification not his or her~~
31 ~~own, or counterfeit identification, with intent to violate the~~
32 ~~provisions)) obtaining a remittance of tax in violation of this~~
33 ~~section((7)) shall be guilty of a misdemeanor and, in addition, shall~~
34 ~~be liable for the tax and subject to a penalty equal to the greater of~~
35 ~~one hundred dollars or the tax due on such purchases.~~

36 ~~((b) Any vendor who makes sales without collecting the tax to a~~
37 ~~person who does not hold valid identification establishing out-of-state~~
38 ~~residency, and any vendor who fails to maintain records of sales to~~
39 ~~nonresidents as provided in this section, shall be personally liable~~

1 for the amount of tax due. Any vendor who makes sales without
2 collecting the retail sales tax under this section and who has actual
3 knowledge that the purchaser's proof of identification establishing
4 out-of-state residency is fraudulent shall be guilty of a misdemeanor
5 and, in addition, shall be liable for the tax and subject to a penalty
6 equal to the greater of one thousand dollars or the tax due on such
7 sales. In addition, both the purchaser and the vendor shall be liable
8 for any penalties and interest assessable under chapter 82.32 RCW.))

9 (3) The state general fund shall bear the entire cost of
10 remittances under this section, including remittances of taxes by local
11 governments.

12 NEW SECTION. Sec. 2. This act takes effect July 1, 2000.

--- END ---