

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE HOUSE BILL 2850**

56th Legislature  
2000 Regular Session

Passed by the House March 9, 2000  
Yeas 98 Nays 0

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**Speaker of the House of Representatives**

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**Speaker of the House of Representatives**

Passed by the Senate March 8, 2000  
Yeas 45 Nays 2

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**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2850** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2850**

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AS AMENDED BY THE SENATE

Passed Legislature - 2000 Regular Session

**State of Washington                      56th Legislature                      2000 Regular Session**

**By** House Committee on Finance (originally sponsored by Representatives Reardon, Schoesler, Scott, D. Schmidt, Tokuda, Skinner, Thomas, Clements, Dunshee, McIntire and Pennington)

Read first time 02/07/2000. Referred to Committee on .

1            AN ACT Relating to excise tax treatment of linen and uniform supply  
2 services; amending RCW 82.14.020; creating a new section; and providing  
3 an effective date.

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

5            NEW SECTION. **Sec. 1.** The legislature finds that linen and uniform  
6 supply services have been incorrectly sited for tax purposes and as a  
7 result, some companies that perform laundry activities outside the  
8 state of Washington have not been required to collect retail sales  
9 taxes upon linen and uniform supply services provided to Washington  
10 customers. This error in tax treatment provides an incentive for  
11 businesses to locate their laundry functions out-of-state. In-state  
12 businesses cannot compete if out-of-state competitors are not required  
13 to collect sales tax.

14            The purpose of this act is to clarify the taxable situs of linen  
15 and uniform supply services.

16            **Sec. 2.** RCW 82.14.020 and 1997 c 201 s 1 are each amended to read  
17 as follows:

18            For purposes of this chapter and chapter 82.08 RCW:

1 (1) A retail sale consisting solely of the sale of tangible  
2 personal property shall be deemed to have occurred at the retail outlet  
3 at or from which delivery is made to the consumer((+)).

4 (2) A retail sale consisting essentially of the performance of  
5 personal business or professional services shall be deemed to have  
6 occurred at the place at which such services were primarily performed,  
7 except that for the performance of a tow truck service, as defined in  
8 RCW 46.55.010, the retail sale shall be deemed to have occurred at the  
9 place of business of the operator of the tow truck service((+)).

10 (3) A retail sale consisting of the rental of tangible personal  
11 property shall be deemed to have occurred (a) in the case of a rental  
12 involving periodic rental payments, at the primary place of use by the  
13 lessee during the period covered by each payment, or (b) in all other  
14 cases, at the place of first use by the lessee((+)).

15 (4) A retail sale within the scope of (~~the second paragraph of~~)  
16 RCW 82.04.050(2), and a retail sale of taxable personal property to be  
17 installed by the seller shall be deemed to have occurred at the place  
18 where the labor and services involved were primarily performed((+)).

19 (5) A retail sale consisting of the providing to a consumer of  
20 telephone service, as defined in RCW 82.04.065, other than a sale of  
21 tangible personal property under subsection (1) of this section or a  
22 rental of tangible personal property under subsection (3) of this  
23 section, shall be deemed to have occurred at the situs of the telephone  
24 or other instrument through which the telephone service is  
25 rendered((+)).

26 (6) A retail sale of linen and uniform supply services shall be  
27 deemed to have occurred at the place of delivery to the customer.  
28 "Linen and uniform supply service" means the activity of providing  
29 customers with a supply of clean linen, towels, uniforms, gowns,  
30 protective apparel, clean room apparel, mats, rugs, and similar items,  
31 whether ownership of the item is in the person operating the linen and  
32 uniform supply service or in the customer. The term includes supply  
33 services operating their own cleaning establishments as well as those  
34 contracting with other laundry or dry cleaning businesses.

35 (7) "City" means a city or town((+)).

36 ((+)) (8) The meaning ascribed to words and phrases in chapters  
37 82.04, 82.08 and 82.12 RCW, as now or hereafter amended, insofar as  
38 applicable, shall have full force and effect with respect to taxes  
39 imposed under authority of this chapter((+)).

1       (~~(8)~~) (9) "Taxable event" shall mean any retail sale, or any use  
2 of an article of tangible personal property, upon which a state tax is  
3 imposed pursuant to chapter 82.08 or 82.12 RCW, as they now exist or  
4 may hereafter be amended: PROVIDED, HOWEVER, That the term shall not  
5 include a retail sale taxable pursuant to RCW 82.08.150, as now or  
6 hereafter amended(~~(7)~~).

7       (~~(9)~~) (10) "Treasurer or other legal depository" shall mean the  
8 treasurer or legal depository of a county or city.

9       NEW SECTION.   **Sec. 3.** This act takes effect July 1, 2000.

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