
HOUSE BILL 2144

State of Washington

57th Legislature

2001 Regular Session

By Representatives Kirby, Cairnes, Talcott, Fisher, Van Luven,
Darneille and Morris

Read first time 02/19/2001. Referred to Committee on Trade & Economic
Development.

1 AN ACT Relating to tax deferrals for theme parks; adding a new
2 chapter to Title 82 RCW; and providing an effective date.

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

4 NEW SECTION. **Sec. 1.** Unless the context clearly requires
5 otherwise, the definitions in this section apply throughout this
6 chapter.

7 (1) "Applicant" means a person applying for a tax deferral under
8 this chapter.

9 (2) "Person" has the meaning given in RCW 82.04.030.

10 (3) "Department" means the department of revenue.

11 (4) "Investment project" means construction of structures, site
12 preparation, and the acquisition of related machinery and equipment
13 when the structures, machinery, and equipment will be used in the
14 operation of a new theme park.

15 (5) "Theme park" means an entertainment facility that:

16 (a) Is on a site of at least eighty acres;

17 (b) Has entertainments and facilities designed around a particular
18 subject or idea;

1 (c) Provides a wide variety of entertainment, including amusement
2 rides, a water park, live and animated entertainment, games, retail
3 stores, restaurant and food service, and similar facilities; and

4 (d) For which initiation of construction is after January 1, 2001,
5 and before July 1, 2003.

6 (6) "Structures" means only new edifices such as ticket offices,
7 entertainment facilities, maintenance facilities, parking facilities,
8 and other structures that are an essential or integral part of a theme
9 park. If a structure is used partly for use as an essential or
10 integral part of a theme park and partly for other purposes, the
11 applicable tax deferral shall be determined by apportionment of the
12 costs of construction under rules adopted by the department.

13 (7) "Machinery and equipment" means all fixtures, equipment, and
14 support facilities that are an integral and necessary part of a theme
15 park.

16 (8) "Recipient" means a person receiving a tax deferral under this
17 chapter.

18 (9) "Certificate holder" means an applicant to whom a tax deferral
19 certificate has been issued.

20 (10) "Operationally complete" means constructed or improved to the
21 point of being functionally useable as a theme park.

22 (11) "Initiation of construction" means that date upon which
23 on-site construction commences.

24 NEW SECTION. **Sec. 2.** Application for deferral of taxes under this
25 chapter must be made before initiation of the construction of the
26 investment project or acquisition of equipment or machinery.
27 Application shall be made to the department in a form and manner
28 prescribed by the department. The application shall contain
29 information regarding the location of the investment project, estimated
30 or actual costs, time schedules for completion and operation, and other
31 information required by the department. The department shall rule on
32 the application within sixty days. If the investment project meets the
33 requirements of this chapter, the department shall issue a sales and
34 use tax deferral certificate for state and local sales and use taxes
35 due under chapters 82.08, 82.12, and 82.14 RCW on the investment
36 project.

1 NEW SECTION. **Sec. 3.** (1) Except as provided in subsection (2) of
2 this section, taxes deferred under this chapter need not be repaid.

3 (2) If, on the basis of a report under section 4 of this act or
4 other information, the department finds that an investment project is
5 used for purposes other than a theme park at any time during the
6 calendar year in which the investment project is certified by the
7 department as being operationally complete, or at any time during any
8 of the seven succeeding calendar years, a portion of deferred taxes is
9 immediately due according to the following schedule:

10	Year in which use occurs	% of deferred taxes due
11	1	100.0%
12	2	87.5%
13	3	75.0%
14	4	62.5%
15	5	50.0%
16	6	37.5%
17	7	25.0%
18	8	12.5%

19 The department shall assess interest at the rate provided for
20 delinquent taxes, but not penalties, retroactively to the date of
21 deferral. The debt for deferred taxes will not be extinguished by
22 insolvency or other failure of the recipient. Transfer of ownership
23 does not terminate the deferral. The deferral is transferred, subject
24 to the successor meeting the eligibility requirements of this chapter,
25 for the remaining periods of the deferral.

26 NEW SECTION. **Sec. 4.** Each recipient of a deferral granted under
27 this chapter shall submit a report to the department on December 31st
28 of the year in which the investment project is certified by the
29 department as being operationally complete, and on December 31st of
30 each of the seven succeeding calendar years. The report shall contain
31 information, as required by the department, from which the department
32 may determine whether the recipient is meeting the requirements of this
33 chapter.

34 NEW SECTION. **Sec. 5.** This act takes effect August 1, 2001.

1 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
2 a new chapter in Title 82 RCW.

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