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HOUSE BILL 2933

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State of Washington

57th Legislature

2002 Regular Session

By Representative McIntire

Read first time 02/08/2002. Referred to Committee on Finance.

1 AN ACT Relating to tax preference review, modification, and  
2 termination; amending RCW 43.136.010, 43.136.030, 43.136.040,  
3 43.136.050, 43.136.070, 82.04.050, 82.12.010, 82.08.080, 82.04.060,  
4 82.04.460, 82.12.035, 82.12.060, 82.14.020, 82.08.0255, 82.12.0256,  
5 82.36.230, 82.38.080, 82.42.030, 84.40.030, 84.40.220, 84.36.110,  
6 82.04.280, 82.16.050, 48.14.020, 48.44.020, 43.52.460, 82.04.120,  
7 82.04.260, 82.36.020, 82.48.030, 84.36.020, 84.36.060, 46.10.040, and  
8 15.76.165; reenacting and amending RCW 82.04.190; adding new sections  
9 to chapter 82.08 RCW; adding new sections to chapter 82.12 RCW; adding  
10 a new section to chapter 48.14 RCW; adding a new section to chapter  
11 82.04 RCW; adding new sections to chapter 82.48 RCW; adding new  
12 sections to chapter 43.136 RCW; creating new sections; repealing RCW  
13 82.04.298, 82.04.315, 82.04.317, 82.04.322, 82.04.324, 82.04.327,  
14 82.04.331, 82.04.332, 82.04.333, 82.04.337, 82.04.338, 82.04.339,  
15 82.04.395, 82.04.363, 82.04.3651, 82.04.367, 82.04.368, 82.04.392,  
16 82.04.394, 82.04.399, 82.04.416, 82.04.4201, 82.04.421, 82.04.422,  
17 82.04.4327, 82.04.4329, 82.04.433, 82.04.4331, 82.04.4332, 82.04.4333,  
18 82.04.434, 82.04.44525, 82.04.4453, 82.04.4454, 82.08.02525,  
19 82.08.02535, 82.08.02537, 82.08.02565, 82.08.02566, 82.08.02567,  
20 82.08.02568, 82.08.02569, 82.08.02573, 82.08.026, 82.08.02665,  
21 82.08.02745, 82.08.02795, 82.08.02805, 82.08.02806, 82.08.02875,

1 82.08.02915, 82.08.02917, 82.08.0294, 82.08.0295, 82.08.0296,  
2 82.08.0297, 82.08.0298, 82.08.0299, 82.08.0311, 82.08.0315, 82.08.036,  
3 82.08.810, 82.08.811, 82.08.820, 82.08.830, 82.08.832, 82.08.834,  
4 82.08.840, 82.08.850, 82.08.860, 82.08.870, 82.08.880, 82.08.890,  
5 82.08.900, 82.08.910, 82.08.920, 82.12.022, 82.12.02545, 82.12.02565,  
6 82.12.02566, 82.12.02568, 82.12.02569, 82.12.02595, 82.12.02685,  
7 82.12.02745, 82.12.02747, 82.12.02748, 82.12.02915, 82.12.02917,  
8 82.12.0294, 82.12.0295, 82.12.0296, 82.12.0297, 82.12.0298, 82.12.0311,  
9 82.12.0315, 82.12.0345, 82.12.0347, 82.12.038, 82.12.800, 82.12.801,  
10 82.12.802, 82.12.810, 82.12.811, 82.12.820, 82.12.832, 82.12.834,  
11 82.12.840, 82.12.845, 82.12.850, 82.12.880, 82.12.890, 82.12.900,  
12 82.12.910, 82.12.920, 82.08.0259, 82.12.0261, 82.08.0267, 82.12.0262,  
13 82.08.0272, 82.12.0267, 82.08.0277, 82.12.0273, 82.08.0257, 82.12.0258,  
14 82.12.0265, 82.08.0276, 82.12.0271, 82.08.0253, 82.08.0282, 82.08.031,  
15 82.12.031, 48.32.145, 82.04.330, 82.04.335, 82.04.410, 82.04.4281,  
16 82.04.4287, 82.04.4292, 82.04.4293, 82.04.4294, 82.04.4298, 82.04.4322,  
17 82.04.4324, 82.04.4326, 82.16.055, 82.29A.135, 82.35.050, 84.36.080,  
18 84.36.105, 84.36.030, 84.36.040, 84.36.050, 84.36.070, 84.36.090,  
19 84.36.400, 84.36.015, 84.36.042, 84.36.046, 84.36.255, 84.36.487,  
20 84.36.510, 84.36.550, 84.36.560, 84.36.570, 84.36.595, 84.36.600,  
21 84.36.605, and 84.36.630; and providing effective dates.

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

23 **Sec. 1.** RCW 43.136.010 and 1982 1st ex.s. c 35 s 39 are each  
24 amended to read as follows:

25 The legislature recognizes that tax preferences are enacted by the  
26 legislature to meet objectives which are determined to be in the public  
27 interest. The legislature finds, however, that some tax preferences  
28 may not be efficient or equitable tools for the achievement of current  
29 legislative objectives. The legislature finds that unless it can be  
30 demonstrated that the public interest is served by the continued  
31 existence of tax preferences, they should be terminated or modified.  
32 The legislature further finds that periodic evaluations of tax  
33 preferences are needed to determine if their continued existence is in  
34 the public interest.

35 It is the intent of the legislature to reaffirm the 1982 act with  
36 this 2002 act and to establish a mechanism for scheduling periodic  
37 evaluations of tax preferences together with a system for their

1 termination, continuation, or modification. By this mechanism, the  
2 legislature intends to ensure that thorough periodic evaluations are  
3 made and that those tax preferences which do not continue to serve the  
4 public interest are terminated or modified.

5 **Sec. 2.** RCW 43.136.030 and 1982 1st ex.s. c 35 s 41 are each  
6 amended to read as follows:

7 The joint legislative ((budget)) audit and review committee shall  
8 review each tax preference for termination by the processes provided in  
9 this chapter. The review shall be completed and a report prepared on  
10 or before (~~June~~) September 30th of the year prior to the date  
11 established for termination. Upon completion of its report, the joint  
12 legislative ((budget)) audit and review committee shall transmit copies  
13 of the report to the department of revenue. The department of revenue  
14 may then conduct its own review of the tax preference scheduled for  
15 termination and shall prepare a report on or before (~~September 30th~~)  
16 December 31st of the year prior to the date established for  
17 termination. Upon completion of its report the department of revenue  
18 shall transmit copies of its report to the joint legislative ((budget))  
19 audit and review committee. The joint legislative ((budget)) audit and  
20 review committee shall prepare a final report that includes the reports  
21 of both the department of revenue and the joint legislative ((budget))  
22 audit and review committee. The joint legislative ((budget)) audit and  
23 review committee and the department of revenue shall, upon request,  
24 make available to each other all working papers, studies, and other  
25 documents which relate to reports required under this section. The  
26 joint legislative ((budget)) audit and review committee shall transmit  
27 the final report to all members of the legislature, to the governor,  
28 and to the state library.

29 **Sec. 3.** RCW 43.136.040 and 1982 1st ex.s. c 35 s 42 are each  
30 amended to read as follows:

31 In reviewing a tax preference, the joint legislative ((budget))  
32 audit and review committee shall develop information needed by the  
33 legislature to determine if the tax preference should be terminated as  
34 scheduled, modified, or reestablished without modification. The joint  
35 legislative ((budget)) audit and review committee shall consider, but  
36 not be limited to, the following factors in the review.

1 (1) The persons or organizations whose state tax liabilities are  
2 directly affected by the tax preference.

3 (2) Legislative objectives that might provide a justification for  
4 the tax preference.

5 (3) Evidence that the existence of the tax preference has  
6 contributed to the achievement of any of the objectives identified in  
7 subsection (2) of this section.

8 (4) The extent to which continuation of the tax preference beyond  
9 its scheduled termination date might contribute to any of the  
10 objectives identified in subsection (2) of this section.

11 (5) Fiscal impacts of the tax preference, including past impacts  
12 and expected future impacts if it is not terminated as scheduled.

13 (6) The extent to which termination of the tax preference would  
14 affect the distribution of liability for payment of state taxes.

15 **Sec. 4.** RCW 43.136.050 and 1982 1st ex.s. c 35 s 43 are each  
16 amended to read as follows:

17 (1) Following receipt of the final report from the joint  
18 legislative (~~((budget))~~) audit and review committee, the (~~((ways and means~~  
19 ~~committees))~~) finance committee of the house of representatives and the  
20 ways and means committee of the senate shall jointly hold a public  
21 hearing to consider the final report and any related data. The  
22 committees shall also receive testimony from the governor, or the  
23 governor's designee, and other interested parties, including the  
24 general public.

25 (2) Following the joint hearing, the committees may separately hold  
26 additional meetings or hearings to come to a final determination as to  
27 whether a continuation, modification, or termination of a tax  
28 preference is in the public interest. If a committee determines that  
29 a tax preference should be continued or modified, it shall make the  
30 determination as a bill. No more than one tax preference shall be  
31 reestablished or modified in any one bill.

32 **Sec. 5.** RCW 43.136.070 and 1982 1st ex.s. c 35 s 45 are each  
33 amended to read as follows:

34 On or before September 30, 1982, the department of revenue shall  
35 provide the (~~((select))~~) joint legislative audit and review committee  
36 with a report on existing tax preferences. The report shall include a  
37 list of tax preferences and a description of each one. Upon request of

1 the ((select)) joint legislative audit and review committee, the  
2 department of revenue shall provide additional information needed by  
3 the ((select)) joint legislative audit and review committee to meet its  
4 responsibilities under this chapter.

5       **Sec. 6.** RCW 82.04.050 and 2000 2nd sp.s. c 4 s 23 are each amended  
6 to read as follows:

7       (1) "Sale at retail" or "retail sale" means every sale of tangible  
8 personal property (including articles produced, fabricated, or  
9 imprinted) to all persons irrespective of the nature of their business  
10 and including, among others, without limiting the scope hereof, persons  
11 who install, repair, clean, alter, improve, construct, or decorate real  
12 or personal property of or for consumers other than a sale to a person  
13 who presents a resale certificate under RCW 82.04.470 and who:

14       (a) Purchases for the purpose of resale as tangible personal  
15 property in the regular course of business without intervening use by  
16 such person, but a purchase for the purpose of resale by a regional  
17 transit authority under RCW 81.112.300 is not a sale for resale; or

18       (b) Installs, repairs, cleans, alters, imprints, improves,  
19 constructs, or decorates real or personal property of or for consumers,  
20 if such tangible personal property becomes an ingredient or component  
21 of such real or personal property without intervening use by such  
22 person; or

23       (c) Purchases for the purpose of consuming the property purchased  
24 in producing for sale a new article of tangible personal property or  
25 substance, of which such property becomes an ingredient or component or  
26 is a chemical used in processing, when the primary purpose of such  
27 chemical is to create a chemical reaction directly through contact with  
28 an ingredient of a new article being produced for sale; or

29       (d) Purchases for the purpose of consuming the property purchased  
30 in producing ferrosilicon which is subsequently used in producing  
31 magnesium for sale, if the primary purpose of such property is to  
32 create a chemical reaction directly through contact with an ingredient  
33 of ferrosilicon; or

34       (e) Purchases for the purpose of providing the property to  
35 consumers as part of competitive telephone service, as defined in RCW  
36 82.04.065. The term shall include every sale of tangible personal  
37 property which is used or consumed or to be used or consumed in the  
38 performance of any activity classified as a "sale at retail" or "retail

1 sale" even though such property is resold or utilized as provided in  
2 (a), (b), (c), (d), or (e) of this subsection following such use. The  
3 term also means every sale of tangible personal property to persons  
4 engaged in any business which is taxable under RCW 82.04.280 (2) and  
5 (7) and 82.04.290.

6 (2) The term "sale at retail" or "retail sale" shall include the  
7 sale of or charge made for tangible personal property consumed and/or  
8 for labor and services rendered in respect to the following:

9 (a) The installing, repairing, cleaning, altering, imprinting, or  
10 improving of tangible personal property of or for consumers, including  
11 charges made for the mere use of facilities in respect thereto, but  
12 excluding charges made for the use of coin-operated laundry facilities  
13 when such facilities are situated in an apartment house, rooming house,  
14 or mobile home park for the exclusive use of the tenants thereof, and  
15 also excluding sales of laundry service to nonprofit health care  
16 facilities(~~(, and excluding services rendered in respect to live~~  
17 ~~animals, birds and insects));~~

18 (b) The constructing, repairing, decorating, or improving of new or  
19 existing buildings or other structures under, upon, or above real  
20 property of or for consumers, including the installing or attaching of  
21 any article of tangible personal property therein or thereto, whether  
22 or not such personal property becomes a part of the realty by virtue of  
23 installation, and shall also include the sale of services or charges  
24 made for the clearing of land and the moving of earth excepting the  
25 mere leveling of land used in commercial farming or agriculture;

26 (c) The charge for labor and services rendered in respect to  
27 constructing, repairing, or improving any structure upon, above, or  
28 under any real property owned by an owner who conveys the property by  
29 title, possession, or any other means to the person performing such  
30 construction, repair, or improvement for the purpose of performing such  
31 construction, repair, or improvement and the property is then  
32 reconveyed by title, possession, or any other means to the original  
33 owner;

34 (d) The sale of or charge made for labor and services rendered in  
35 respect to the cleaning, fumigating, razing, or moving of existing  
36 buildings or structures(~~(, but shall not include the charge made for~~  
37 ~~janitorial services; and for purposes of this section the term~~  
38 ~~"janitorial services" shall mean those cleaning and caretaking services~~  
39 ~~ordinarily performed by commercial janitor service businesses~~

1 including, but not limited to, wall and window washing, floor cleaning  
2 and waxing, and the cleaning in place of rugs, drapes and upholstery.  
3 The term "janitorial services" does not include painting, papering,  
4 repairing, furnace or septic tank cleaning, snow removal or  
5 sandblasting));

6 (e) The sale of or charge made for labor and services rendered in  
7 respect to automobile towing and similar automotive transportation  
8 services, but not in respect to those required to report and pay taxes  
9 under chapter 82.16 RCW;

10 (f) The sale of and charge made for the furnishing of lodging and  
11 all other services by a hotel, rooming house, tourist court, motel,  
12 trailer camp, and the granting of any similar license to use real  
13 property, as distinguished from the renting or leasing of real  
14 property, and it shall be presumed that the occupancy of real property  
15 for a continuous period of one month or more constitutes a rental or  
16 lease of real property and not a mere license to use or enjoy the same;

17 (g) The sale of or charge made for tangible personal property,  
18 labor and services to persons taxable under (a), (b), (c), (d), (e),  
19 and (f) of this subsection when such sales or charges are for property,  
20 labor and services which are used or consumed in whole or in part by  
21 such persons in the performance of any activity defined as a "sale at  
22 retail" or "retail sale" even though such property, labor and services  
23 may be resold after such use or consumption. Nothing contained in this  
24 subsection shall be construed to modify subsection (1) of this section  
25 and nothing contained in subsection (1) of this section shall be  
26 construed to modify this subsection.

27 (3) The term "sale at retail" or "retail sale" shall include the  
28 sale of or charge made for (~~personal, business, or professional~~) the  
29 rendering of services, other than a sale to a person who purchases for  
30 the purpose of resale in the regular course of business, including  
31 those services compensated by amounts designated as interest, rents,  
32 fees, admission, and other service emoluments however designated,  
33 (received) provided by persons engaging in (the following) business  
34 activities(

35 ~~(a) Amusement and recreation services including but not limited to~~  
36 ~~golf, pool, billiards, skating, bowling, ski lifts and tows, day trips~~  
37 ~~for sightseeing purposes, and others, when provided to consumers;~~

38 ~~(b) Abstract, title insurance, and escrow services;~~

39 ~~(c) Credit bureau services;~~

1       ~~(d) Automobile parking and storage garage services;~~

2       ~~(e) Landscape maintenance and horticultural services but excluding~~  
3 ~~(i) horticultural services provided to farmers and (ii) pruning,~~  
4 ~~trimming, repairing, removing, and clearing of trees and brush near~~  
5 ~~electric transmission or distribution lines or equipment, if performed~~  
6 ~~by or at the direction of an electric utility;~~

7       ~~(f) Service charges associated with tickets to professional~~  
8 ~~sporting events; and~~

9       ~~(g) The following personal services: Physical fitness services,~~  
10 ~~tanning salon services, tattoo parlor services, steam bath services,~~  
11 ~~turkish bath services, escort services, and dating services.~~

12       ~~(4) The term shall also include the renting or leasing of tangible~~  
13 ~~personal property to consumers and the rental of equipment with an~~  
14 ~~operator)).~~

15       ~~((+5))~~ (4) The term shall also include the providing of telephone  
16 service, as defined in RCW 82.04.065, to consumers.

17       ~~((+6))~~ (5) The term shall also include the sale of canned software  
18 other than a sale to a person who presents a resale certificate under  
19 RCW 82.04.470, regardless of the method of delivery to the end user,  
20 but shall not include custom software or the customization of canned  
21 software.

22       (6) The term "sale at retail" or "retail sale shall not include any  
23 physical or mental health care services, the provision of which is  
24 regulated by the state under chapters 18.29, 18.32, 18.36, 18.50,  
25 18.51, 18.53, 18.55, 18.57, 18.71, 18.74, 18.83, and 18.92 RCW.

26       (7) The term shall not include the sale of or charge made for labor  
27 and services rendered in respect to the building, repairing, or  
28 improving of any street, place, road, highway, easement, right of way,  
29 mass public transportation terminal or parking facility, bridge,  
30 tunnel, or trestle which is owned by a municipal corporation or  
31 political subdivision of the state or by the United States and which is  
32 used or to be used primarily for foot or vehicular traffic including  
33 mass transportation vehicles of any kind.

34       (8) The term shall also not include sales of ~~((chemical sprays or~~  
35 ~~washes to persons for the purpose of postharvest treatment of fruit for~~  
36 ~~the prevention of scald, fungus, mold, or decay, nor shall it include~~  
37 ~~sales of)) feed, seed, seedlings, fertilizer, agents for enhanced~~  
38 ~~pollination including insects such as bees, and spray materials to:~~

39       (a) Persons who participate in the federal conservation reserve



1 program, the environmental quality incentives program, the wetlands  
2 reserve program, and the wildlife habitat incentives program, or their  
3 successors administered by the United States department of agriculture;  
4 (b) farmers for the purpose of producing for sale any agricultural  
5 product; and (c) farmers acting under cooperative habitat development  
6 or access contracts with an organization exempt from federal income tax  
7 under 26 U.S.C. Sec. 501(c)(3) or the Washington state department of  
8 fish and wildlife to produce or improve wildlife habitat on land that  
9 the farmer owns or leases.

10 (9) The term shall not include the sale of or charge made for labor  
11 and services rendered in respect to the constructing, repairing,  
12 decorating, or improving of new or existing buildings or other  
13 structures under, upon, or above real property of or for the United  
14 States, any instrumentality thereof, or a county or city housing  
15 authority created pursuant to chapter 35.82 RCW, including the  
16 installing, or attaching of any article of tangible personal property  
17 therein or thereto, whether or not such personal property becomes a  
18 part of the realty by virtue of installation. Nor shall the term  
19 include the sale of services or charges made for the clearing of land  
20 and the moving of earth of or for the United States, any  
21 instrumentality thereof, or a county or city housing authority. Nor  
22 shall the term include the sale of services or charges made for  
23 cleaning up for the United States, or its instrumentalities,  
24 radioactive waste and other byproducts of weapons production and  
25 nuclear research and development.

26 (10) Until July 1, 2003, the term shall not include the sale of or  
27 charge made for labor and services rendered for environmental remedial  
28 action as defined in RCW 82.04.2635(2).

29 **Sec. 7.** RCW 82.12.010 and 2001 c 188 s 3 are each amended to read  
30 as follows:

31 For the purposes of this chapter:

32 (1)(a) "Value of the article used" shall mean the consideration,  
33 whether money, credit, rights, or other property except trade-in  
34 property of like kind, expressed in terms of money, paid or given or  
35 contracted to be paid or given by the purchaser to the seller for the  
36 article of tangible personal property, the use of which is taxable  
37 under this chapter. The term includes, in addition to the  
38 consideration paid or given or contracted to be paid or given, the

1 amount of any tariff or duty paid with respect to the importation of  
2 the article used. In case the article used is acquired by lease or by  
3 gift or is extracted, produced, or manufactured by the person using the  
4 same or is sold under conditions wherein the purchase price does not  
5 represent the true value thereof, the value of the article used shall  
6 be determined as nearly as possible according to the retail selling  
7 price at place of use of similar products of like quality and character  
8 under such rules as the department of revenue may prescribe.

9 (b) In case the articles used are acquired by bailment, the value  
10 of the use of the articles so used shall be in an amount representing  
11 a reasonable rental for the use of the articles so bailed, determined  
12 as nearly as possible according to the value of such use at the places  
13 of use of similar products of like quality and character under such  
14 rules as the department of revenue may prescribe. In case any such  
15 articles of tangible personal property are used in respect to the  
16 construction, repairing, decorating, or improving of, and which become  
17 or are to become an ingredient or component of, new or existing  
18 buildings or other structures under, upon, or above real property of or  
19 for the United States, any instrumentality thereof, or a county or city  
20 housing authority created pursuant to chapter 35.82 RCW, including the  
21 installing or attaching of any such articles therein or thereto,  
22 whether or not such personal property becomes a part of the realty by  
23 virtue of installation, then the value of the use of such articles so  
24 used shall be determined according to the retail selling price of such  
25 articles, or in the absence of such a selling price, as nearly as  
26 possible according to the retail selling price at place of use of  
27 similar products of like quality and character or, in the absence of  
28 either of these selling price measures, such value may be determined  
29 upon a cost basis, in any event under such rules as the department of  
30 revenue may prescribe.

31 (c) In the case of articles owned by a user engaged in business  
32 outside the state which are brought into the state for no more than one  
33 hundred eighty days in any period of three hundred sixty-five  
34 consecutive days and which are temporarily used for business purposes  
35 by the person in this state, the value of the article used shall be an  
36 amount representing a reasonable rental for the use of the articles,  
37 unless the person has paid tax under this chapter or chapter 82.08 RCW  
38 upon the full value of the article used, as defined in (a) of this  
39 subsection.

1 (d) In the case of articles manufactured or produced by the user  
2 and used in the manufacture or production of products sold or to be  
3 sold to the department of defense of the United States, the value of  
4 the articles used shall be determined according to the value of the  
5 ingredients of such articles.

6 (e) In the case of an article manufactured or produced for purposes  
7 of serving as a prototype for the development of a new or improved  
8 product, the value of the article used shall be determined by: (i) The  
9 retail selling price of such new or improved product when first offered  
10 for sale; or (ii) the value of materials incorporated into the  
11 prototype in cases in which the new or improved product is not offered  
12 for sale.

13 (f) In the case of an article purchased with a direct pay permit  
14 under RCW 82.32.087, the value of the article used shall be determined  
15 by the retail selling price, as defined in RCW 82.08.010, of such  
16 article if but for the use of the direct pay permit the transaction  
17 would have been subject to sales tax;

18 (2) "Value of the service use" means the consideration, whether  
19 money, credit, rights, or other property, expressed in terms of money,  
20 paid or given or contracted to be paid or given by the purchaser to the  
21 seller for the service, the use of which is taxable under this chapter.  
22 If the service is received by gift or under conditions where the  
23 purchase price does not represent the true value of the service, the  
24 value of the services used shall be determined as nearly as possible  
25 according to the retail selling price at the place of use of similar  
26 services of like quality and character under rules prescribed by the  
27 department of revenue;

28 (3) "Use," "used," "using," or "put to use" shall have their  
29 ordinary meaning, and shall mean:

30 (a) With respect to personal property, the first act within this  
31 state by which the taxpayer takes or assumes dominion or control over  
32 the article of tangible personal property (as a consumer), and include  
33 installation, storage, withdrawal from storage, or any other act  
34 preparatory to subsequent actual use or consumption within this state;  
35 and

36 (b) With respect to a service which affords a benefit or is  
37 otherwise capable of utilization within this state, the utilization  
38 within this state of the service, regardless of the place of  
39 performance;

1       (~~(3)~~) (4) "Taxpayer" and "purchaser" include all persons included  
2 within the meaning of the word "buyer" and the word "consumer" as  
3 defined in chapters 82.04 and 82.08 RCW;

4       (~~(4)~~) (5) "Retailer" means every seller as defined in RCW  
5 82.08.010 and every person engaged in the business of selling tangible  
6 personal property or services at retail and every person required to  
7 collect from purchasers the tax imposed under this chapter;

8       (~~(5)~~) (6) The meaning ascribed to words and phrases in chapters  
9 82.04 and 82.08 RCW, insofar as applicable, shall have full force and  
10 effect with respect to taxes imposed under the provisions of this  
11 chapter. "Consumer," in addition to the meaning ascribed to it in  
12 chapters 82.04 and 82.08 RCW insofar as applicable, shall also mean any  
13 person who distributes or displays, or causes to be distributed or  
14 displayed, any article of tangible personal property, except  
15 newspapers, the primary purpose of which is to promote the sale of  
16 products or services.

17       **Sec. 8.** RCW 82.08.080 and 1986 c 36 s 2 are each amended to read  
18 as follows:

19       The department of revenue may authorize a seller to pay the tax  
20 levied under this chapter upon retail sales of tangible personal  
21 property or services made under conditions of business such as to  
22 render impracticable the collection of the tax as a separate item and  
23 waive collection of the tax from the customer. Where sales are made by  
24 receipt of a coin or coins dropped into a receptacle that results in  
25 delivery of the merchandise in single purchases of smaller value than  
26 the minimum sale upon which a one cent tax may be collected from the  
27 purchaser, according to the schedule provided by the department under  
28 authority of RCW 82.08.060, and where the design of the sales device is  
29 such that multiple sales of items are not possible or cannot be  
30 detected so as practically to assess a tax, in such a case the selling  
31 price for the purposes of the tax imposed under RCW 82.08.020 shall be  
32 sixty percent of the gross receipts of the vending machine through  
33 which such sales are made. No such authority shall be granted except  
34 upon application to the department and unless the department, after  
35 hearing, finds that the conditions of the applicant's business are such  
36 as to render impracticable the collection of the tax in the manner  
37 otherwise provided. The department, by regulation, may provide that

1 the applicant, under this section, furnish a proper bond sufficient to  
2 secure the payment of the tax.

3 **Sec. 9.** RCW 82.04.060 and 1998 c 332 s 5 are each amended to read  
4 as follows:

5 "Sale at wholesale" or "wholesale sale" means: (1) Any sale of  
6 tangible personal property, or any sale of a service, other than those  
7 services enumerated under RCW 82.04.050 (6), (7), and (9); (2) any sale  
8 of amusement or recreation services as defined in RCW 82.04.050(3)(a);  
9 (3) any sale of canned software; or (4) any sale of telephone service  
10 as defined in RCW 82.04.065, which is not a sale at retail and means  
11 any charge made for labor and services rendered for persons who are not  
12 consumers, in respect to real or personal property or services, if such  
13 charge is expressly defined as a retail sale by RCW 82.04.050 when  
14 rendered to or for consumers: PROVIDED, That the term "real or  
15 personal property" as used in this section shall not include any  
16 natural products named in RCW 82.04.100.

17 **Sec. 10.** RCW 82.04.190 and 1998 c 332 s 6 and 1998 c 308 s 2 are  
18 each reenacted and amended to read as follows:

19 "Consumer" means the following:

20 (1) Any person who purchases, acquires, owns, holds, or uses any  
21 article of tangible personal property irrespective of the nature of the  
22 person's business and including, among others, without limiting the  
23 scope hereof, persons who install, repair, clean, alter, improve,  
24 construct, or decorate real or personal property of or for consumers  
25 other than for the purpose (a) of resale as tangible personal property  
26 in the regular course of business or (b) of incorporating such property  
27 as an ingredient or component of real or personal property when  
28 installing, repairing, cleaning, altering, imprinting, improving,  
29 constructing, or decorating such real or personal property of or for  
30 consumers or (c) of consuming such property in producing for sale a new  
31 article of tangible personal property or a new substance, of which such  
32 property becomes an ingredient or component or as a chemical used in  
33 processing, when the primary purpose of such chemical is to create a  
34 chemical reaction directly through contact with an ingredient of a new  
35 article being produced for sale or (d) purchases for the purpose of  
36 consuming the property purchased in producing ferrosilicon which is  
37 subsequently used in producing magnesium for sale, if the primary

1 purpose of such property is to create a chemical reaction directly  
2 through contact with an ingredient of ferrosilicon;

3 (2)(a) Any person engaged in any business activity taxable under  
4 RCW 82.04.290 and any person who purchases, acquires, or uses any  
5 retail service included within the definition of retail sale under RCW  
6 82.04.050, other than for resale in the regular course of business.  
7 Resale of a service included within the definition of retail sale under  
8 RCW 82.04.050 means a separately stated charge to another person for  
9 the service by a person who has paid or is obligated to pay an  
10 identical charge to one who has originally rendered the identical  
11 service; (b) any person who purchases, acquires, or uses any telephone  
12 service as defined in RCW 82.04.065, other than for resale in the  
13 regular course of business; (c) any person who purchases, acquires, or  
14 uses any amusement and recreation service defined in RCW  
15 82.04.050(3)(a), other than for resale in the regular course of  
16 business; and (d) any person who is an end user of software;

17 (3) Any person engaged in the business of contracting for the  
18 building, repairing or improving of any street, place, road, highway,  
19 easement, right of way, mass public transportation terminal or parking  
20 facility, bridge, tunnel, or trestle which is owned by a municipal  
21 corporation or political subdivision of the state of Washington or by  
22 the United States and which is used or to be used primarily for foot or  
23 vehicular traffic including mass transportation vehicles of any kind as  
24 defined in RCW 82.04.280, in respect to tangible personal property when  
25 such person incorporates such property as an ingredient or component of  
26 such publicly owned street, place, road, highway, easement, right of  
27 way, mass public transportation terminal or parking facility, bridge,  
28 tunnel, or trestle by installing, placing or spreading the property in  
29 or upon the right of way of such street, place, road, highway,  
30 easement, bridge, tunnel, or trestle or in or upon the site of such  
31 mass public transportation terminal or parking facility;

32 (4) Any person who is an owner, lessee or has the right of  
33 possession to or an easement in real property which is being  
34 constructed, repaired, decorated, improved, or otherwise altered by a  
35 person engaged in business, excluding only (a) municipal corporations  
36 or political subdivisions of the state in respect to labor and services  
37 rendered to their real property which is used or held for public road  
38 purposes, and (b) the United States, instrumentalities thereof, and  
39 county and city housing authorities created pursuant to chapter 35.82

1 RCW in respect to labor and services rendered to their real property.  
2 Nothing contained in this or any other subsection of this definition  
3 shall be construed to modify any other definition of "consumer";

4 (5) Any person who is an owner, lessee, or has the right of  
5 possession to personal property which is being constructed, repaired,  
6 improved, cleaned, imprinted, or otherwise altered by a person engaged  
7 in business;

8 (6) Any person engaged in the business of constructing, repairing,  
9 decorating, or improving new or existing buildings or other structures  
10 under, upon, or above real property of or for the United States, any  
11 instrumentality thereof, or a county or city housing authority created  
12 pursuant to chapter 35.82 RCW, including the installing or attaching of  
13 any article of tangible personal property therein or thereto, whether  
14 or not such personal property becomes a part of the realty by virtue of  
15 installation; also, any person engaged in the business of clearing land  
16 and moving earth of or for the United States, any instrumentality  
17 thereof, or a county or city housing authority created pursuant to  
18 chapter 35.82 RCW. Any such person shall be a consumer within the  
19 meaning of this subsection in respect to tangible personal property  
20 incorporated into, installed in, or attached to such building or other  
21 structure by such person;

22 (7) Any person who is a lessor of machinery and equipment, the  
23 rental of which is exempt from the tax imposed by RCW 82.08.020 ((~~under~~  
24 ~~RCW 82.08.02565~~)), with respect to the sale of or charge made for  
25 tangible personal property consumed in respect to repairing the  
26 machinery and equipment, if the tangible personal property has a useful  
27 life of less than one year. Nothing contained in this or any other  
28 subsection of this section shall be construed to modify any other  
29 definition of "consumer";

30 (8) Any person engaged in the business of cleaning up for the  
31 United States, or its instrumentalities, radioactive waste and other  
32 byproducts of weapons production and nuclear research and development;  
33 and

34 (9) Until July 1, 2003, any person engaged in the business of  
35 conducting environmental remedial action as defined in RCW  
36 82.04.2635(2).

37 **Sec. 11.** RCW 82.04.460 and 1985 c 7 s 154 are each amended to read  
38 as follows:

1 (1) Any person rendering services taxable under RCW 82.04.250 or  
2 82.04.270 by reason of the amendments to RCW 82.04.050 in this act, or  
3 under RCW 82.04.290 and maintaining places of business both within and  
4 without this state which contribute to the rendition of such services  
5 shall, for the purpose of computing tax liability under RCW 82.04.250,  
6 82.04.270, or 82.04.290, apportion to this state that portion of  
7 ~~((his))~~ gross proceeds of sales or gross income which is derived from  
8 services rendered within this state. Where such apportionment cannot  
9 be accurately made by separate accounting methods, the taxpayer shall  
10 apportion to this state that proportion of his total income which the  
11 cost of doing business within the state bears to the total cost of  
12 doing business both within and without the state.

13 (2) Notwithstanding the provision of subsection (1) of this  
14 section, persons doing business both within and without the state who  
15 receive gross income from service charges, as defined in RCW 63.14.010  
16 (relating to amounts charged for granting the right or privilege to  
17 make deferred or installment payments) or who receive gross income from  
18 engaging in business as financial institutions within the scope of  
19 chapter 82.14A RCW (relating to city taxes on financial institutions)  
20 shall apportion or allocate gross income taxable under RCW 82.04.290 to  
21 this state pursuant to rules promulgated by the department consistent  
22 with uniform rules for apportionment or allocation developed by the  
23 states.

24 (3) The department shall by rule provide a method or methods of  
25 apportioning or allocating gross income derived from sales of telephone  
26 services taxed under this chapter, if the gross proceeds of sales  
27 subject to tax under this chapter do not fairly represent the extent of  
28 the taxpayer's income attributable to this state. The rules shall be,  
29 so far as feasible, consistent with the methods of apportionment  
30 contained in this section and shall require the consideration of those  
31 facts, circumstances, and apportionment factors as will result in an  
32 equitable and constitutionally permissible division of the services.

33 NEW SECTION. Sec. 12. A new section is added to chapter 82.08 RCW  
34 to read as follows:

35 The tax levied by RCW 82.08.020 does not apply to the sale of a  
36 service to a nonresident for use in a state or possession of the United  
37 States or a province of Canada which does not impose a tax on the  
38 retail sale or use of that service.



1        NEW SECTION.    **Sec. 13.** A new section is added to chapter 82.08 RCW  
2 to read as follows:

3        When services constituting retail sales are rendered both within  
4 and without the state, the selling price of sales for purposes of this  
5 chapter shall be apportioned to this state in accordance with rules  
6 prescribed by the department of revenue. The rules shall be, so far as  
7 feasible, consistent with the methods of apportionment contained in RCW  
8 82.04.460, and shall require the consideration of those facts,  
9 circumstances, and apportionment factors as will result in an equitable  
10 and constitutionally permissible division of the services.

11        NEW SECTION.    **Sec. 14.** A new section is added to chapter 82.12 RCW  
12 to read as follows:

13        An excise tax is imposed on each person engaging in business in  
14 this state for the privilege of putting to use within this state as a  
15 consumer, and in the performance of the business, any service of a type  
16 which is included within the definition of retail sale under RCW  
17 82.04.050. The excise tax shall be collected in an amount equal to the  
18 value of the services used by the consumer multiplied by the rate in  
19 effect for the retail sales tax under RCW 82.08.020.

20        NEW SECTION.    **Sec. 15.** A new section is added to chapter 82.12 RCW  
21 to read as follows:

22        The tax imposed under section 14 of this act does not apply in  
23 respect to the use of services if the sale to, or the use by, the  
24 present user has already been subjected to the tax under chapter 82.08  
25 RCW or this chapter and that tax has been paid by the present user.

26        NEW SECTION.    **Sec. 16.** A new section is added to chapter 82.12 RCW  
27 to read as follows:

28        The tax imposed under section 14 of this act does not apply in  
29 respect to the use of services by the same taxpayer that rendered the  
30 services.

31        **Sec. 17.** RCW 82.12.035 and 1996 c 148 s 6 are each amended to read  
32 as follows:

33        A credit shall be allowed against the taxes imposed by this chapter  
34 upon the use of tangible personal property, or services taxable under  
35 RCW 82.04.050(3)(a) or 82.12.010, in the state of Washington in the

1 amount that the present user thereof or his or her bailor or donor has  
2 paid a retail sales or use tax with respect to such property to any  
3 other state of the United States, any political subdivision thereof,  
4 the District of Columbia, and any foreign country or political  
5 subdivision thereof, prior to the use of such property in Washington.

6 **Sec. 18.** RCW 82.12.060 and 1975 1st ex.s. c 278 s 54 are each  
7 amended to read as follows:

8 In the case of installment sales and leases of personal property or  
9 services, the department, by regulation, may provide for the collection  
10 of taxes upon the installments of the purchase price, or amount of  
11 rental, as of the time the same fall due.

12 In the case of property acquired by bailment, the department, by  
13 regulation, may provide for payment of the tax due in installments  
14 based on the reasonable rental for the property as determined under RCW  
15 82.12.010(1).

16 **Sec. 19.** RCW 82.14.020 and 2001 c 186 s 3 are each amended to read  
17 as follows:

18 For purposes of this chapter:

19 (1) A retail sale consisting solely of the sale of tangible  
20 personal property shall be deemed to have occurred at the retail outlet  
21 at or from which delivery is made to the consumer;

22 (2) A retail sale consisting essentially of (~~the performance of~~  
23 ~~personal business or professional~~) services shall be deemed to have  
24 occurred at the place at which such services were primarily performed,  
25 except that for the performance of a tow truck service, as defined in  
26 RCW 46.55.010, the retail sale shall be deemed to have occurred at the  
27 place of business of the operator of the tow truck service;

28 (3) A retail sale consisting of the rental of tangible personal  
29 property shall be deemed to have occurred (a) in the case of a rental  
30 involving periodic rental payments, at the primary place of use by the  
31 lessee during the period covered by each payment, or (b) in all other  
32 cases, at the place of first use by the lessee;

33 (4) A retail sale within the scope of RCW 82.04.050(2), and a  
34 retail sale of taxable personal property to be installed by the seller  
35 shall be deemed to have occurred at the place where the labor and  
36 services involved were primarily performed;

1 (5) A retail sale consisting of the providing to a consumer of  
2 telephone service, as defined in RCW 82.04.065, other than a sale of  
3 tangible personal property under subsection (1) of this section or a  
4 rental of tangible personal property under subsection (3) of this  
5 section, shall be deemed to have occurred at the situs of the telephone  
6 or other instrument through which the telephone service is rendered;

7 (6) A retail sale of linen and uniform supply services is deemed to  
8 occur as provided in RCW 82.08.0202;

9 (7) "City" means a city or town;

10 (8) The meaning ascribed to words and phrases in chapters 82.04,  
11 82.08 and 82.12 RCW, as now or hereafter amended, insofar as  
12 applicable, shall have full force and effect with respect to taxes  
13 imposed under authority of this chapter;

14 (9) "Taxable event" shall mean any retail sale, or any use of an  
15 article of tangible personal property, upon which a state tax is  
16 imposed pursuant to chapter 82.08 or 82.12 RCW, as they now exist or  
17 may hereafter be amended: PROVIDED, HOWEVER, That the term shall not  
18 include a retail sale taxable pursuant to RCW 82.08.150, as now or  
19 hereafter amended;

20 (10) "Treasurer or other legal depository" shall mean the treasurer  
21 or legal depository of a county or city.

22 **Sec. 20.** RCW 82.08.0255 and 1998 c 176 s 4 are each amended to  
23 read as follows:

24 (1) The tax levied by RCW 82.08.020 shall not apply to sales of:

25 (a) Motor vehicle fuel used in aircraft by the manufacturer thereof  
26 for research, development, and testing purposes, until June 30, 2002;  
27 and

28 (b) Motor vehicle and special fuel if:

29 (i) The fuel is purchased for the purpose of public transportation  
30 and the purchaser is entitled to a refund or an exemption under RCW  
31 82.36.275 or 82.38.080(3); or

32 (ii) The fuel is purchased by a private, nonprofit transportation  
33 provider certified under chapter 81.66 RCW and the purchaser is  
34 entitled to a refund or an exemption under RCW 82.36.285 or  
35 82.38.080(1)(h); or

36 (iii) The fuel is taxable under chapter 82.36 or 82.38 RCW.

37 (2) Any person who has paid the tax imposed by RCW 82.08.020 on the  
38 sale of special fuel delivered in this state shall be entitled to a

1 credit or refund of such tax with respect to fuel subsequently  
2 established to have been actually transported and used outside this  
3 state by persons engaged in interstate commerce. The tax shall be  
4 claimed as a credit or refunded through the tax reports required under  
5 RCW 82.38.150.

6 **Sec. 21.** RCW 82.12.0256 and 1998 c 176 s 5 are each amended to  
7 read as follows:

8 The provisions of this chapter shall not apply in respect to the  
9 use of:

10 (1) Motor vehicle fuel used in aircraft by the manufacturer thereof  
11 for research, development, and testing purposes, until June 30, 2002;  
12 and

13 (2) Special fuel purchased in this state upon which a refund is  
14 obtained as provided in RCW 82.38.180(2); and

15 (3) Motor vehicle and special fuel if:

16 (a) The fuel is used for the purpose of public transportation and  
17 the purchaser is entitled to a refund or an exemption under RCW  
18 82.36.275 or 82.38.080(3); or

19 (b) The fuel is purchased by a private, nonprofit transportation  
20 provider certified under chapter 81.66 RCW and the purchaser is  
21 entitled to a refund or an exemption under RCW 82.36.285 or  
22 82.38.080(1)(h); or

23 (c) The fuel is taxable under chapter 82.36 or 82.38 RCW:  
24 PROVIDED, That the use of motor vehicle and special fuel upon which a  
25 refund of the applicable fuel tax is obtained shall not be exempt under  
26 this subsection (3)(c), and the director of licensing shall deduct from  
27 the amount of such tax to be refunded the amount of tax due under this  
28 chapter and remit the same each month to the department of revenue.

29 **Sec. 22.** RCW 82.36.230 and 1998 c 176 s 34 are each amended to  
30 read as follows:

31 The provisions of this chapter requiring the payment of taxes do  
32 not apply to motor vehicle fuel imported into the state in interstate  
33 or foreign commerce and intended to be sold while in interstate or  
34 foreign commerce, nor to motor vehicle fuel exported from this state by  
35 a licensee nor to any motor vehicle fuel sold by a licensee to the  
36 armed forces of the United States or to the national guard for use  
37 exclusively in ships or for export from this state. The licensee shall

1 report such imports, exports and sales to the department at such times,  
2 on such forms, and in such detail as the department may require,  
3 otherwise the exemption granted in this section is null and void, and  
4 all fuel shall be considered distributed in this state fully subject to  
5 the provisions of this chapter. Each invoice covering exempt sales  
6 shall have the statement "Ex Washington Motor Vehicle Fuel Tax" clearly  
7 marked thereon.

8 To claim any exemption from taxes under this section on account of  
9 sales by a licensee of motor vehicle fuel for export, the purchaser  
10 shall obtain from the selling licensee, and such selling licensee must  
11 furnish the purchaser, an invoice giving such details of the sale for  
12 export as the department may require, copies of which shall be  
13 furnished the department and the entity of the state or foreign  
14 jurisdiction of destination which is charged by the laws of that state  
15 or foreign jurisdiction with the control or monitoring, or both, of the  
16 sales or movement of motor vehicle fuel in that state or foreign  
17 jurisdiction. For the purposes of this section, motor vehicle fuel  
18 distributed to a federally recognized Indian tribal reservation located  
19 within the state of Washington is not considered exported outside this  
20 state.

21 To claim any refund of taxes previously paid on account of sales of  
22 motor vehicle fuel to the armed forces of the United States or to the  
23 national guard, the licensee shall be required to execute an exemption  
24 certificate in such form as shall be furnished by the department,  
25 containing a certified statement by an authorized officer of the armed  
26 forces having actual knowledge of the purpose for which the exemption  
27 is claimed. The provisions of this section exempting motor vehicle  
28 fuel sold to the armed forces of the United States or to the national  
29 guard from the tax imposed hereunder do not apply to any motor vehicle  
30 fuel sold to contractors purchasing such fuel either for their own  
31 account or as the agents of the United States or the national guard for  
32 use in the performance of contracts with the armed forces of the United  
33 States or the national guard.

34 The department may at any time require of any licensee any  
35 information the department deems necessary to determine the validity of  
36 the claimed exemption, and failure to supply such data will constitute  
37 a waiver of all right to the exemption claimed. The department is  
38 hereby empowered with full authority to promulgate rules and  
39 regulations and to prescribe forms to be used by licensees in reporting

1 to the department so as to prevent evasion of the tax imposed by this  
2 chapter.

3 Upon request from the officials to whom are entrusted the  
4 enforcement of the motor vehicle fuel tax law of any other state, the  
5 District of Columbia, the United States, its territories and  
6 possessions, the provinces, or the Dominion of Canada, the department  
7 may forward to such officials any information which the department may  
8 have relative to the import or export of any motor vehicle fuel by any  
9 licensee: PROVIDED, That such governmental unit furnish like  
10 information to this state.

11 **Sec. 23.** RCW 82.38.080 and 1998 c 176 s 60 are each amended to  
12 read as follows:

13 (1) There is exempted from the tax imposed by this chapter, the use  
14 of fuel for:

15 (a) Street and highway construction and maintenance purposes in  
16 motor vehicles owned and operated by the state of Washington, or any  
17 county or municipality;

18 (b) Publicly owned fire fighting equipment;

19 (c) Special mobile equipment as defined in RCW 46.04.552;

20 (d) Power pumping units or other power take-off equipment of any  
21 motor vehicle which is accurately measured by metering devices that  
22 have been specifically approved by the department or which is  
23 established by any of the following formulae:

24 (i) Pumping propane, or fuel or heating oils or milk picked up from  
25 a farm or dairy farm storage tank by a power take-off unit on a  
26 delivery truck, at a rate determined by the department: PROVIDED, That  
27 claimant when presenting his or her claim to the department in  
28 accordance with this chapter, shall provide to the claim, invoices of  
29 propane, or fuel or heating oil delivered, or such other appropriate  
30 information as may be required by the department to substantiate his or  
31 her claim;

32 (ii) Operating a power take-off unit on a cement mixer truck or a  
33 load compactor on a garbage truck at the rate of twenty-five percent of  
34 the total gallons of fuel used in such a truck; or

35 (iii) The department is authorized to establish by rule additional  
36 formulae for determining fuel usage when operating other types of  
37 equipment by means of power take-off units when direct measurement of  
38 the fuel used is not feasible. The department is also authorized to

1 adopt rules regarding the usage of on board computers for the  
2 production of records required by this chapter;

3 (e) Motor vehicles owned and operated by the United States  
4 government;

5 (f) Heating purposes;

6 (g) Moving a motor vehicle on a public highway between two pieces  
7 of private property when said moving is incidental to the primary use  
8 of the motor vehicle;

9 (h) Transportation services for persons with special transportation  
10 needs by a private, nonprofit transportation provider regulated under  
11 chapter 81.66 RCW;

12 (i) Vehicle refrigeration units, mixing units, or other equipment  
13 powered by separate motors from separate fuel tanks; and

14 (j) The operation of a motor vehicle as a part of or incidental to  
15 logging operations upon a highway under federal jurisdiction within the  
16 boundaries of a federal area if the federal government requires a fee  
17 for the privilege of operating the motor vehicle upon the highway, the  
18 proceeds of which are reserved for constructing or maintaining roads in  
19 the federal area, or requires maintenance or construction work to be  
20 performed on the highway for the privilege of operating the motor  
21 vehicle on the highway.

22 (2) There is exempted from the tax imposed by this chapter the  
23 removal or entry of special fuel under the following circumstances and  
24 conditions:

25 (a) If it is the removal from a terminal or refinery of, or the  
26 entry or sale of, a special fuel if all of the following apply:

27 (i) The person otherwise liable for the tax is a licensee other  
28 than a dyed special fuel user or international fuel tax agreement  
29 licensee;

30 (ii) For a removal from a terminal, the terminal is a licensed  
31 terminal; and

32 (iii) The special fuel satisfies the dyeing and marking  
33 requirements of this chapter;

34 (b) If it is an entry or removal from a terminal or refinery of  
35 taxable special fuel transferred to a refinery or terminal and the  
36 persons involved, including the terminal operator, are licensed; and

37 (c)(i) If it is a special fuel that, under contract of sale, is  
38 shipped to a point outside this state by a supplier by means of any of  
39 the following:

1 (A) Facilities operated by the supplier;

2 (B) Delivery by the supplier to a carrier, customs broker, or  
3 forwarding agent, whether hired by the purchaser or not, for shipment  
4 to the out-of-state point;

5 (C) Delivery by the supplier to a vessel clearing from port of this  
6 state for a port outside this state and actually exported from this  
7 state in the vessel.

8 (ii) For purposes of this subsection (2)(c):

9 (A) "Carrier" means a person or firm engaged in the business of  
10 transporting for compensation property owned by other persons, and  
11 includes both common and contract carriers; and

12 (B) "Forwarding agent" means a person or firm engaged in the  
13 business of preparing property for shipment or arranging for its  
14 shipment.

15 (3) Notwithstanding any provision of law to the contrary, every  
16 urban passenger transportation system (~~and carriers as defined by~~  
17 ~~chapters 81.68 and 81.70 RCW~~) shall be exempt from the provisions of  
18 this chapter requiring the payment of special fuel taxes. For the  
19 purposes of this section "urban passenger transportation system" means  
20 every publicly owned transportation system, (~~publicly or privately~~  
21 ~~owned,~~) having as its principal source of revenue the income from  
22 transporting persons for compensation by means of motor vehicles and/or  
23 trackless trolleys, each having a seating capacity for over fifteen  
24 persons over prescribed routes in such a manner that the routes of such  
25 motor vehicles and/or trackless trolleys, either alone or in  
26 conjunction with routes of other such motor vehicles and/or trackless  
27 trolleys subject to routing by the same transportation system, shall  
28 not extend for a distance exceeding twenty-five road miles beyond the  
29 corporate limits of the county in which the original starting points of  
30 such motor vehicles are located: PROVIDED, That no refunds or credits  
31 shall be granted on special fuel used by any urban transportation  
32 vehicle (~~or vehicle operated pursuant to chapters 81.68 and 81.70~~  
33 ~~RCW~~) on any trip where any portion of said trip is more than twenty-  
34 five road miles beyond the corporate limits of the county in which said  
35 trip originated.

36 **Sec. 24.** RCW 82.42.030 and 1989 c 193 s 4 are each amended to read  
37 as follows:



1        (1) Until June 30, 2002, the provision of RCW 82.42.020 imposing  
2 the payment of an excise tax on each gallon of aircraft fuel sold,  
3 delivered or used in this state shall not apply to aircraft fuel sold  
4 for export, nor to aircraft fuel used for the following purposes:  
5 ~~((+1))~~ (a) The operation of aircraft when such use is by any air  
6 carrier or supplemental air carrier operating under a certificate of  
7 public convenience and necessity under the provisions of the Federal  
8 Aviation Act of 1958, Public Law 85-726, as amended; ~~((+2))~~ (b) the  
9 operation of aircraft for testing or experimental purposes; ~~((+3))~~ (c)  
10 the operation of aircraft when such operation is for the training of  
11 crews in Washington state for purchasers of aircraft who are certified  
12 air carriers; and ~~((+4))~~ (d) the operation of aircraft in the  
13 operations of a local service commuter: PROVIDED, That the director's  
14 determination as to a particular activity for which aircraft fuel is  
15 used as being an exemption under this section, or otherwise, shall be  
16 final.

17        (2) To claim an exemption on account of sales by a licensed  
18 distributor of aircraft fuel for export, the purchaser shall obtain  
19 from the selling distributor, and such selling distributor must furnish  
20 the purchaser, an invoice giving such details of the sale for export as  
21 the director may require, copies of which shall be furnished the  
22 department and the entity of the state or foreign jurisdiction of  
23 destination which is charged by the laws of that state or foreign  
24 jurisdiction with the control or monitoring or both, of the sales or  
25 movement of aircraft fuel in that state or foreign jurisdiction.

26        (3) On and after July 1, 2002, the provision of RCW 82.42.020  
27 imposing the payment of an excise tax on each gallon of aircraft fuel  
28 sold, delivered, or used in this state does not apply to aircraft fuel  
29 used for the operation of aircraft which is not taxable by this state  
30 by reason of federal law.

31        **Sec. 25.** RCW 84.40.030 and 2001 c 187 s 17 are each amended to  
32 read as follows:

33        All property shall be valued at one hundred percent of its true and  
34 fair value in money and assessed on the same basis unless specifically  
35 provided otherwise by law.

36        Taxable leasehold estates shall be valued at such price as they  
37 would bring at a fair, voluntary sale for cash without any deductions  
38 for any indebtedness owed including rentals to be paid.

1 The true and fair value of real property for taxation purposes  
2 (including property upon which there is a coal or other mine, or stone  
3 or other quarry) shall be based upon the following criteria:

4 (1) Any sales of the property being appraised or similar properties  
5 with respect to sales made within the past five years. The appraisal  
6 shall be consistent with the comprehensive land use plan, development  
7 regulations under chapter 36.70A RCW, zoning, and any other  
8 governmental policies or practices in effect at the time of appraisal  
9 that affect the use of property, as well as physical and environmental  
10 influences. An assessment may not be determined by a method that  
11 assumes a land usage not permitted, for that property being appraised,  
12 under existing zoning or land use planning ordinances or statutes. The  
13 appraisal shall also take into account: (a) In the use of sales by  
14 real estate contract as similar sales, the extent, if any, to which the  
15 stated selling price has been increased by reason of the down payment,  
16 interest rate, or other financing terms; and (b) the extent to which  
17 the sale of a similar property actually represents the general  
18 effective market demand for property of such type, in the geographical  
19 area in which such property is located. Sales involving deed releases  
20 or similar seller-developer financing arrangements shall not be used as  
21 sales of similar property.

22 (2) In addition to sales as defined in subsection (1) of this  
23 section, consideration may be given to cost, cost less depreciation,  
24 reconstruction cost less depreciation, or capitalization of income that  
25 would be derived from prudent use of the property. In the case of  
26 property of a complex nature, or being used under terms of a franchise  
27 from a public agency, or operating as a public utility, or property not  
28 having a record of sale within five years and not having a significant  
29 number of sales of similar property in the general area, the provisions  
30 of this subsection shall be the dominant factors in valuation. When  
31 provisions of this subsection are relied upon for establishing values  
32 the property owner shall be advised upon request of the factors used in  
33 arriving at such value.

34 (3) In valuing any tract or parcel of real property, the true and  
35 fair value of the land, exclusive of structures thereon shall be  
36 determined; also the true and fair value of structures thereon, but the  
37 valuation shall not exceed the true and fair value of the total  
38 property as it exists. In valuing agricultural land, growing crops  
39 shall be excluded as long as the growing stock of nurserymen shall not

1 be considered as growing crops for the purposes of this chapter after  
2 December 31, 2005.

3 **Sec. 26.** RCW 84.40.220 and 1974 ex.s. c 83 s 1 are each amended to  
4 read as follows:

5 Whoever owns, or has in his possession or subject to his control,  
6 any goods, merchandise, grain or produce of any kind, or other personal  
7 property within this state, with authority to sell the same, which has  
8 been purchased either in or out of this state, with a view to being  
9 sold at an advanced price or profit, or which has been consigned to him  
10 from any place out of this state for the purpose of being sold at any  
11 place within the state, shall be held to be a merchant, and when he is  
12 by this title required to make out and to deliver to the assessor a  
13 statement of his other personal property, he shall state the value of  
14 such property pertaining to his business as a merchant. No consignee  
15 shall be required to list for taxation the value of any property the  
16 product of this state, nor the value of any property consigned to him  
17 from any other place for the sole purpose of being stored or forwarded,  
18 if he has no interest in such property nor any profit to be derived  
19 from its sale. The growing stock of nurserymen, which is owned by the  
20 original producer thereof or which has been held or possessed by the  
21 nurserymen for one hundred eighty days or more, shall, whether personal  
22 or real property, be considered the same as growing crops on cultivated  
23 lands(~~(: PROVIDED, That)~~) as long as the nurserymen ((be)) is licensed  
24 by the department of agriculture(~~(: PROVIDED FURTHER, That)~~). Growing  
25 crops shall not include the growing stock of nurserymen after December  
26 31, 2005. An original producer, within the meaning of this section,  
27 shall include a person who, beginning with seeds, cuttings, bulbs,  
28 corms, or any form of immature plants, grows such plants in the course  
29 of their development into either a marketable partially grown product  
30 or a marketable consumer product.

31 **Sec. 27.** RCW 84.36.110 and 1988 c 10 s 1 are each amended to read  
32 as follows:

33 The following property shall be exempt from taxation:

34 (1) All household goods and furnishings in actual use by the owner  
35 thereof in equipping and outfitting his or her residence or place of  
36 abode and not for sale or commercial use, and all personal effects held

1 by any person for his or her exclusive use and benefit and not for sale  
2 or commercial use.

3 (2) Until December 31, 2004, the personal property, other than  
4 specified in subdivision (1) hereof, of each head of a family liable to  
5 assessment and taxation of which such individual is the actual and bona  
6 fide owner to an amount of three thousand dollars of actual values:  
7 PROVIDED, That this exemption shall not apply to any private motor  
8 vehicle, or mobile home, and: PROVIDED, FURTHER, That if the county  
9 assessor is satisfied that all of the personal property of any person  
10 is exempt from taxation under the provisions of this statute or any  
11 other statute providing exemptions for personal property, no listing of  
12 such property shall be required; but if the personal property described  
13 in this subsection exceeds in value the amount allowed as exempt, then  
14 a complete list of said personal property shall be made as provided by  
15 law, and the county assessor shall deduct the amount of the exemption  
16 authorized by this subsection from the total amount of the assessment  
17 and assess the remainder.

18 **Sec. 28.** RCW 82.04.280 and 1998 c 343 s 3 are each amended to read  
19 as follows:

20 Upon every person engaging within this state in the business of:  
21 (1) Printing, and of publishing newspapers, periodicals, or magazines;  
22 (2) building, repairing or improving any street, place, road, highway,  
23 easement, right of way, mass public transportation terminal or parking  
24 facility, bridge, tunnel, or trestle which is owned by a municipal  
25 corporation or political subdivision of the state or by the United  
26 States and which is used or to be used, primarily for foot or vehicular  
27 traffic including mass transportation vehicles of any kind and  
28 including any readjustment, reconstruction or relocation of the  
29 facilities of any public, private or cooperatively owned utility or  
30 railroad in the course of such building, repairing or improving, the  
31 cost of which readjustment, reconstruction, or relocation, is the  
32 responsibility of the public authority whose street, place, road,  
33 highway, easement, right of way, mass public transportation terminal or  
34 parking facility, bridge, tunnel, or trestle is being built, repaired  
35 or improved; (3) extracting for hire or processing for hire; (4)  
36 operating a cold storage warehouse or storage warehouse, but not  
37 including the rental of cold storage lockers; (5) representing and  
38 performing services for fire or casualty insurance companies as an

1 independent resident managing general agent licensed under the  
2 provisions of RCW 48.05.310; (6) radio and television broadcasting,  
3 excluding network, national and regional advertising computed as a  
4 standard deduction based on the national average thereof as annually  
5 reported by the Federal Communications Commission, or in lieu thereof  
6 by itemization by the individual broadcasting station, and excluding  
7 that portion of revenue represented by the out-of-state audience  
8 computed as a ratio to the station's total audience as measured by the  
9 100 micro-volt signal strength and delivery by wire, if any, however,  
10 after June 30, 2003, the exclusion provided in this subsection (6) is  
11 limited to gross income from advertising which is not taxable by this  
12 state by reason of federal law; (7) engaging in activities which bring  
13 a person within the definition of consumer contained in RCW  
14 82.04.190(6); as to such persons, the amount of tax on such business  
15 shall be equal to the gross income of the business multiplied by the  
16 rate of 0.484 percent.

17 As used in this section, "cold storage warehouse" means a storage  
18 warehouse used to store fresh and/or frozen perishable fruits or  
19 vegetables, meat, seafood, dairy products, or fowl, or any combination  
20 thereof, at a desired temperature to maintain the quality of the  
21 product for orderly marketing.

22 As used in this section, "storage warehouse" means a building or  
23 structure, or any part thereof, in which goods, wares, or merchandise  
24 are received for storage for compensation, except field warehouses,  
25 fruit warehouses, fruit packing plants, warehouses licensed under  
26 chapter 22.09 RCW, public garages storing automobiles, railroad freight  
27 sheds, docks and wharves, and "self-storage" or "mini storage"  
28 facilities whereby customers have direct access to individual storage  
29 areas by separate entrance. "Storage warehouse" does not include a  
30 building or structure, or that part of such building or structure, in  
31 which an activity taxable under RCW 82.04.272 is conducted.

32 As used in this section, "periodical or magazine" means a printed  
33 publication, other than a newspaper, issued regularly at stated  
34 intervals at least once every three months, including any supplement or  
35 special edition of the publication.

36 **Sec. 29.** RCW 82.16.050 and 2000 c 245 s 1 are each amended to read  
37 as follows:

1 In computing tax there may be deducted from the gross income the  
2 following items:

3 (1) Amounts derived by municipally owned or operated public service  
4 businesses, directly from taxes levied for the support or maintenance  
5 thereof: PROVIDED, That this section shall not be construed to exempt  
6 service charges which are spread on the property tax rolls and  
7 collected as taxes;

8 (2) Amounts derived from the sale of commodities to persons in the  
9 same public service business as the seller, for resale as such within  
10 this state. This deduction is allowed only with respect to water  
11 distribution, gas distribution or other public service businesses which  
12 furnish water, gas or any other commodity in the performance of public  
13 service businesses;

14 (3) Amounts actually paid by a taxpayer to another person taxable  
15 under this chapter as the latter's portion of the consideration due for  
16 services furnished jointly by both, if the total amount has been  
17 credited to and appears in the gross income reported for tax by the  
18 former;

19 (4) The amount of cash discount actually taken by the purchaser or  
20 customer;

21 (5) The amount of credit losses actually sustained by taxpayers  
22 whose regular books of accounts are kept upon an accrual basis;

23 (6) Amounts derived from business which the state is prohibited  
24 from taxing under the Constitution of this state or the Constitution or  
25 laws of the United States on and after July 1, 2003, with respect to  
26 amounts derived from transportation of persons or property or  
27 transmission of communications from points of origin in this state to  
28 points outside this state or from points of origin outside this state  
29 to points within this state, there may be deducted from gross income  
30 amounts attributable to the portion of the transportation or  
31 communication as occurs outside this state under rules prescribed by  
32 the department of revenue;

33 (7) Until June 30, 2003, amounts derived from the distribution of  
34 water through an irrigation system, for irrigation purposes;

35 (8) Until June 30, 2003, amounts derived from the transportation of  
36 commodities from points of origin in this state to final destination  
37 outside this state, or from points of origin outside this state to  
38 final destination in this state, with respect to which the carrier  
39 grants to the shipper the privilege of stopping the shipment in transit

1 at some point in this state for the purpose of storing, manufacturing,  
2 milling, or other processing, and thereafter forwards the same  
3 commodity, or its equivalent, in the same or converted form, under a  
4 through freight rate from point of origin to final destination; and  
5 amounts derived from the transportation of commodities from points of  
6 origin in the state to an export elevator, wharf, dock or ship side on  
7 tidewater or navigable tributaries thereto from which such commodities  
8 are forwarded, without intervening transportation, by vessel, in their  
9 original form, to interstate or foreign destinations: PROVIDED, That  
10 no deduction will be allowed when the point of origin and the point of  
11 delivery to such an export elevator, wharf, dock, or ship side are  
12 located within the corporate limits of the same city or town;

13 (9) Amounts derived from the production, sale, or transfer of  
14 electrical energy for resale within or outside the state or for  
15 consumption outside the state;

16 (10) Amounts derived from the distribution of water by a nonprofit  
17 water association and used for capital improvements by that nonprofit  
18 water association;

19 (11) Amounts paid by a sewerage collection business taxable under  
20 RCW 82.16.020(1)(a) to a person taxable under chapter 82.04 RCW for the  
21 treatment or disposal of sewage.

22 **Sec. 30.** RCW 48.14.020 and 1986 c 296 s 1 are each amended to read  
23 as follows:

24 (1) Subject to other provisions of this chapter, each authorized  
25 insurer except title insurers shall on or before the first day of March  
26 of each year pay to the state treasurer through the commissioner's  
27 office a tax on premiums. Except as provided in subsection (2) of this  
28 section, such tax shall be in the amount of two percent of all  
29 premiums, excluding amounts returned to or the amount of reductions in  
30 premiums allowed to holders of industrial life policies for payment of  
31 premiums directly to an office of the insurer, collected or received by  
32 the insurer during the preceding calendar year other than ocean marine  
33 and foreign trade insurances, after deducting premiums paid to  
34 policyholders as returned premiums, upon risks or property resident,  
35 situated, or to be performed in this state. For the purposes of this  
36 section the consideration received by an insurer for the granting of an  
37 annuity shall not be deemed to be a premium.

1           (2) In the case of insurers which require the payment by their  
2 policyholders at the inception of their policies of the entire premium  
3 thereon in the form of premiums or premium deposits which are the same  
4 in amount, based on the character of the risks, regardless of the  
5 length of term for which such policies are written, such tax shall be  
6 in the amount of two percent of the gross amount of such premiums and  
7 premium deposits upon policies on risks resident, located, or to be  
8 performed in this state, in force as of the thirty-first day of  
9 December next preceding, less the unused or unabsorbed portion of such  
10 premiums and premium deposits computed at the average rate thereof  
11 actually paid or credited to policyholders or applied in part payment  
12 of any renewal premiums or premium deposits on one-year policies  
13 expiring during such year.

14           (3) Each authorized insurer shall with respect to all ocean marine  
15 and foreign trade insurance contracts written within this state during  
16 the preceding calendar year, on or before the first day of March of  
17 each year pay to the state treasurer through the commissioner's office  
18 a tax of ninety-five one-hundredths of one percent on its gross  
19 underwriting profit. Such gross underwriting profit shall be  
20 ascertained by deducting from the net premiums (i.e., gross premiums  
21 less all return premiums and premiums for reinsurance) on such ocean  
22 marine and foreign trade insurance contracts the net losses paid (i.e.,  
23 gross losses paid less salvage and recoveries on reinsurance ceded)  
24 during such calendar year under such contracts. In the case of  
25 insurers issuing participating contracts, such gross underwriting  
26 profit shall not include, for computation of the tax prescribed by this  
27 subsection, the amounts refunded, or paid as participation dividends,  
28 by such insurers to the holders of such contracts.

29           (4) The state does hereby preempt the field of imposing excise or  
30 privilege taxes upon insurers or their agents, other than title  
31 insurers, and no county, city, town or other municipal subdivision  
32 shall have the right to impose any such taxes upon such insurers or  
33 their agents.

34           (5) If an authorized insurer collects or receives any such premiums  
35 on account of policies in force in this state which were originally  
36 issued by another insurer and which other insurer is not authorized to  
37 transact insurance in this state on its own account, such collecting  
38 insurer shall be liable for and shall pay the tax on such premiums.



1        NEW SECTION.    **Sec. 31.**    A new section is added to chapter 48.14 RCW  
2 to read as follows:

3        Health maintenance organizations under chapter 48.46 RCW are  
4 subject to the tax imposed under this chapter.

5        **Sec. 32.**    RCW 48.44.020 and 2000 c 79 s 28 are each amended to read  
6 as follows:

7        (1) Any health care service contractor may enter into contracts  
8 with or for the benefit of persons or groups of persons which require  
9 prepayment for health care services by or for such persons in  
10 consideration of such health care service contractor providing one or  
11 more health care services to such persons and such activity shall not  
12 be subject to the laws relating to insurance, except chapter 48.14 RCW  
13 after June 30, 2003, if the health care services are rendered by the  
14 health care service contractor or by a participating provider.

15        (2) The commissioner may on examination, subject to the right of  
16 the health care service contractor to demand and receive a hearing  
17 under chapters 48.04 and 34.05 RCW, disapprove any individual or group  
18 contract form for any of the following grounds:

19        (a) If it contains or incorporates by reference any inconsistent,  
20 ambiguous or misleading clauses, or exceptions and conditions which  
21 unreasonably or deceptively affect the risk purported to be assumed in  
22 the general coverage of the contract; or

23        (b) If it has any title, heading, or other indication of its  
24 provisions which is misleading; or

25        (c) If purchase of health care services thereunder is being  
26 solicited by deceptive advertising; or

27        (d) If it contains unreasonable restrictions on the treatment of  
28 patients; or

29        (e) If it violates any provision of this chapter; or

30        (f) If it fails to conform to minimum provisions or standards  
31 required by regulation made by the commissioner pursuant to chapter  
32 34.05 RCW; or

33        (g) If any contract for health care services with any state agency,  
34 division, subdivision, board, or commission or with any political  
35 subdivision, municipal corporation, or quasi-municipal corporation  
36 fails to comply with state law.

37        (3) In addition to the grounds listed in subsection (2) of this  
38 section, the commissioner may disapprove any group contract if the

1 benefits provided therein are unreasonable in relation to the amount  
2 charged for the contract.

3 (4)(a) Every contract between a health care service contractor and  
4 a participating provider of health care services shall be in writing  
5 and shall state that in the event the health care service contractor  
6 fails to pay for health care services as provided in the contract, the  
7 enrolled participant shall not be liable to the provider for sums owed  
8 by the health care service contractor. Every such contract shall  
9 provide that this requirement shall survive termination of the  
10 contract.

11 (b) No participating provider, agent, trustee, or assignee may  
12 maintain any action against an enrolled participant to collect sums  
13 owed by the health care service contractor.

14 **Sec. 33.** RCW 43.52.460 and 1971 ex.s. c 75 s 1 are each amended to  
15 read as follows:

16 Any joint operating agency formed under this chapter shall pay in  
17 lieu of taxes payments in the same amounts as paid by public utility  
18 districts. Such payments shall be distributed in accordance with the  
19 provisions applicable to public utility districts: PROVIDED, HOWEVER,  
20 That until June 30, 2003, such tax shall not apply to steam generated  
21 electricity produced by a nuclear steam powered electric generating  
22 facility constructed or acquired by a joint operating agency and in  
23 operation prior to May 17, 1971.

24 **Sec. 34.** RCW 82.04.120 and 1999 sp.s. c 9 s 1 are each amended to  
25 read as follows:

26 Until June 30, 2003, "to manufacture" embraces all activities of a  
27 commercial or industrial nature wherein labor or skill is applied, by  
28 hand or machinery, to materials so that as a result thereof a new,  
29 different or useful substance or article of tangible personal property  
30 is produced for sale or commercial or industrial use, and shall  
31 include: (1) The production or fabrication of special made or custom  
32 made articles; (2) the production or fabrication of dental appliances,  
33 devices, restorations, substitutes, or other dental laboratory products  
34 by a dental laboratory or dental technician; (3) cutting, delimiting,  
35 and measuring of felled, cut, or taken trees; and (4) crushing and/or  
36 blending of rock, sand, stone, gravel, or ore.

1 "To manufacture" shall not include: Conditioning of seed for use  
2 in planting; cubing hay or alfalfa; activities which consist of  
3 cutting, grading, or ice glazing seafood which has been cooked, frozen,  
4 or canned outside this state; the growing, harvesting, or producing of  
5 agricultural products; or packing of agricultural products, including  
6 sorting, washing, rinsing, grading, waxing, treating with fungicide,  
7 packaging, chilling, or placing in controlled atmospheric storage.

8 **Sec. 35.** RCW 82.04.260 and 2001 2nd sp.s. c 25 s 2 are each  
9 amended to read as follows:

10 (1) Upon every person engaging within this state in the business of  
11 manufacturing:

12 (a) Wheat into flour, barley into pearl barley, soybeans into  
13 soybean oil, canola into canola oil, canola meal, or canola byproducts,  
14 or sunflower seeds into sunflower oil; as to such persons the amount of  
15 tax with respect to such business shall be equal to the value of the  
16 flour, pearl barley, oil, canola meal, or canola byproduct  
17 manufactured, multiplied by the rate of 0.138 percent;

18 (b) Seafood products which remain in a raw, raw frozen, or raw  
19 salted state at the completion of the manufacturing by that person; as  
20 to such persons the amount of tax with respect to such business shall  
21 be equal to the value of the products manufactured, multiplied by the  
22 rate of 0.138 percent;

23 (c) By canning, preserving, freezing, processing, or dehydrating  
24 fresh fruits and vegetables, or selling at wholesale fresh fruits and  
25 vegetables canned, preserved, frozen, processed, or dehydrated by the  
26 seller and sold to purchasers who transport in the ordinary course of  
27 business the goods out of this state; as to such persons the amount of  
28 tax with respect to such business shall be equal to the value of the  
29 products canned, preserved, frozen, processed, or dehydrated multiplied  
30 by the rate of 0.138 percent. As proof of sale to a person who  
31 transports in the ordinary course of business goods out of this state,  
32 the seller shall annually provide a statement in a form prescribed by  
33 the department and retain the statement as a business record; and

34 (d) Dairy products that as of September 20, 2001, are identified in  
35 21 C.F.R., chapter 1, parts 131, 133, and 135, including byproducts  
36 from the manufacturing of the dairy products such as whey and casein;  
37 or selling the same to purchasers who transport in the ordinary course  
38 of business the goods out of state; as to such persons the tax imposed

1 shall be equal to the value of the products manufactured multiplied by  
2 the rate of 0.138 percent. As proof of sale to a person who transports  
3 in the ordinary course of business goods out of this state, the seller  
4 shall annually provide a statement in a form prescribed by the  
5 department and retain the statement as a business record.

6 (2) Upon every person engaging within this state in the business of  
7 splitting or processing dried peas; as to such persons the amount of  
8 tax with respect to such business shall be equal to the value of the  
9 peas split or processed, multiplied by the rate of 0.138 percent.

10 (3) Upon every nonprofit corporation and nonprofit association  
11 engaging within this state in research and development, as to such  
12 corporations and associations, the amount of tax with respect to such  
13 activities shall be equal to the gross income derived from such  
14 activities multiplied by the rate of 0.484 percent.

15 (4) Upon every person engaging within this state in the business of  
16 slaughtering, breaking and/or processing perishable meat products  
17 and/or selling the same at wholesale only and not at retail; as to such  
18 persons the tax imposed shall be equal to the gross proceeds derived  
19 from such sales multiplied by the rate of 0.138 percent.

20 (5) Upon every person engaging within this state in the business of  
21 making sales, at retail or wholesale, of nuclear fuel assemblies  
22 manufactured by that person, as to such persons the amount of tax with  
23 respect to such business shall be equal to the gross proceeds of sales  
24 of the assemblies multiplied by the rate of 0.275 percent.

25 (6) Upon every person engaging within this state in the business of  
26 manufacturing nuclear fuel assemblies, as to such persons the amount of  
27 tax with respect to such business shall be equal to the value of the  
28 products manufactured multiplied by the rate of 0.275 percent.

29 (7) Upon every person engaging within this state in the business of  
30 acting as a travel agent or tour operator; as to such persons the  
31 amount of the tax with respect to such activities shall be equal to the  
32 gross income derived from such activities multiplied by the rate of  
33 0.275 percent.

34 (8) Upon every person engaging within this state in business as an  
35 international steamship agent, international customs house broker,  
36 international freight forwarder, vessel and/or cargo charter broker in  
37 foreign commerce, and/or international air cargo agent; as to such  
38 persons the amount of the tax with respect to only international

1 activities shall be equal to the gross income derived from such  
2 activities multiplied by the rate of 0.275 percent.

3 (9) Upon every person engaging within this state in the business of  
4 stevedoring and associated activities pertinent to the movement of  
5 goods and commodities in waterborne interstate or foreign commerce; as  
6 to such persons the amount of tax with respect to such business shall  
7 be equal to the gross proceeds derived from such activities multiplied  
8 by the rate of 0.275 percent. Persons subject to taxation under this  
9 subsection shall be exempt from payment of taxes imposed by chapter  
10 82.16 RCW for that portion of their business subject to taxation under  
11 this subsection. Stevedoring and associated activities pertinent to  
12 the conduct of goods and commodities in waterborne interstate or  
13 foreign commerce are defined as all activities of a labor, service or  
14 transportation nature whereby cargo may be loaded or unloaded to or  
15 from vessels or barges, passing over, onto or under a wharf, pier, or  
16 similar structure; cargo may be moved to a warehouse or similar holding  
17 or storage yard or area to await further movement in import or export  
18 or may move to a consolidation freight station and be stuffed,  
19 unstuffed, containerized, separated or otherwise segregated or  
20 aggregated for delivery or loaded on any mode of transportation for  
21 delivery to its consignee. Specific activities included in this  
22 definition are: Wharfage, handling, loading, unloading, moving of  
23 cargo to a convenient place of delivery to the consignee or a  
24 convenient place for further movement to export mode; documentation  
25 services in connection with the receipt, delivery, checking, care,  
26 custody and control of cargo required in the transfer of cargo;  
27 imported automobile handling prior to delivery to consignee; terminal  
28 stevedoring and incidental vessel services, including but not limited  
29 to plugging and unplugging refrigerator service to containers,  
30 trailers, and other refrigerated cargo receptacles, and securing ship  
31 hatch covers.

32 (10) Upon every person engaging within this state in the business  
33 of disposing of low-level waste, as defined in RCW 43.145.010; as to  
34 such persons the amount of the tax with respect to such business shall  
35 be equal to the gross income of the business, excluding any fees  
36 imposed under chapter 43.200 RCW, multiplied by the rate of 3.3  
37 percent.

38 If the gross income of the taxpayer is attributable to activities  
39 both within and without this state, the gross income attributable to

1 this state shall be determined in accordance with the methods of  
2 apportionment required under RCW 82.04.460.

3 (11) Upon every person engaging within this state as an insurance  
4 agent, insurance broker, or insurance solicitor licensed under chapter  
5 48.17 RCW; as to such persons, the amount of the tax with respect to  
6 such licensed activities shall be equal to the gross income of such  
7 business multiplied by the rate of 0.484 percent.

8 (12) Upon every person engaging within this state in business as a  
9 hospital, as defined in chapter 70.41 RCW, that is operated as a  
10 nonprofit corporation or by the state or any of its political  
11 subdivisions, as to such persons, the amount of tax with respect to  
12 such activities shall be equal to the gross income of the business  
13 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5  
14 percent thereafter. The moneys collected under this subsection shall  
15 be deposited in the health services account created under RCW  
16 43.72.900.

17 NEW SECTION. **Sec. 36.** A new section is added to chapter 82.04 RCW  
18 to read as follows:

19 This chapter does not apply to any person in respect to any  
20 business activity enumerated in RCW 48.44.015 or 48.46.040.

21 **Sec. 37.** RCW 82.36.020 and 2001 c 270 s 2 are each amended to read  
22 as follows:

23 (1) There is hereby levied and imposed upon motor vehicle fuel  
24 users a tax at the rate computed in the manner provided in RCW  
25 82.36.025 on each gallon of motor vehicle fuel.

26 (2) The tax imposed by subsection (1) of this section is imposed  
27 when any of the following occurs:

28 (a) Motor vehicle fuel is removed in this state from a terminal if  
29 the motor vehicle fuel is removed at the rack unless the removal is to  
30 a licensed exporter for direct delivery to a destination outside of the  
31 state;

32 (b) Motor vehicle fuel is removed in this state from a refinery if  
33 either of the following applies:

34 (i) The removal is by bulk transfer and the refiner or the owner of  
35 the motor vehicle fuel immediately before the removal is not a  
36 licensee; or

1 (ii) The removal is at the refinery rack unless the removal is to  
2 a licensed exporter for direct delivery to a destination outside of the  
3 state;

4 (c) Motor vehicle fuel enters into this state for sale,  
5 consumption, use, or storage if either of the following applies:

6 (i) The entry is by bulk transfer and the importer is not a  
7 licensee; or

8 (ii) The entry is not by bulk transfer;

9 (d) Motor vehicle fuel is sold or removed in this state to an  
10 unlicensed entity unless there was a prior taxable removal, entry, or  
11 sale of the motor vehicle fuel;

12 (e) Blended motor vehicle fuel is removed or sold in this state by  
13 the blender of the fuel. The number of gallons of blended motor  
14 vehicle fuel subject to the tax is the difference between the total  
15 number of gallons of blended motor vehicle fuel removed or sold and the  
16 number of gallons of previously taxed motor vehicle fuel used to  
17 produce the blended motor vehicle fuel;

18 (f) Motor vehicle fuel is sold by a licensed motor vehicle fuel  
19 supplier to a motor vehicle fuel distributor, motor vehicle fuel  
20 importer, or motor vehicle fuel blender and the motor vehicle fuel is  
21 not removed from the bulk transfer-terminal system.

22 (3) The proceeds of the motor vehicle fuel excise tax shall be  
23 distributed as provided in RCW 46.68.090.

24 **Sec. 38.** RCW 82.48.030 and 1983 2nd ex.s. c 3 s 22 are each  
25 amended to read as follows:

26 (1) The amount of the tax imposed by this chapter for each calendar  
27 year shall be as follows:

28	Type of aircraft	Registration fee
29	Single engine fixed wing	\$ 50
30	Small multi-engine fixed wing	65
31	Large multi-engine fixed wing	80
32	Turboprop multi-engine fixed wing	100
33	Turbojet multi-engine fixed wing	125
34	Helicopter	75
35	Sailplane	20
36	Lighter than air	20
37	Home built	20

1       (2) On and after January 1, 2005, the amount of the tax imposed by  
2 this chapter for each calendar year shall be two and two-tenths percent  
3 of the fair market value of the aircraft, as determined under sections  
4 39 and 40 of this act. The amount of tax imposed under subsection (1)  
5 of this section for each calendar year shall be divided into twelve  
6 parts corresponding to the months of the calendar year and the excise  
7 tax upon an aircraft registered for the first time in this state after  
8 the last day of any month shall only be levied for the remaining months  
9 of the calendar year including the month in which the aircraft is being  
10 registered: PROVIDED, That the minimum amount payable shall be three  
11 dollars.

12       An aircraft shall be deemed registered for the first time in this  
13 state when such aircraft was not previously registered by this state  
14 for the year immediately preceding the year in which application for  
15 registration is made.

16       NEW SECTION. Sec. 39. A new section is added to chapter 82.48 RCW  
17 to read as follows:

18       After consultation with the department of licensing, the department  
19 of revenue shall prepare at least once each year a schedule for use in  
20 the collection of the excise tax imposed by this chapter. The schedule  
21 shall be based on available information pertaining to the fair market  
22 value of aircraft. Aircraft shall be classified into a convenient  
23 number of classes on the basis of price, make, type, year of  
24 manufacture, or any other reasonable basis, and the rate of tax  
25 prescribed in RCW 82.48.030 shall be applied to the value of aircraft  
26 within the classes as determined. In determining fair market value,  
27 the department of revenue may use any guidebook, report, or compendium  
28 of recognized standing in the aircraft industry. The schedule shall  
29 show, so far as possible, the amount of excise tax for aircraft within  
30 each class and shall sufficiently describe the aircraft included within  
31 each class to enable the department of licensing and its agents to  
32 ascertain readily the amount of tax applicable to any particular  
33 aircraft.

34       NEW SECTION. Sec. 40. A new section is added to chapter 82.48 RCW  
35 to read as follows:

36       Whenever a person applies for a registration for an aircraft which  
37 does not appear on the schedule, the applicant shall apply to the



1 county assessor of the applicant's county for computation of the amount  
2 of excise tax due. Upon application, the assessor shall appraise the  
3 aircraft at its fair market value based on any guidebook, report, or  
4 compendium of recognized standing in the aircraft industry, ascertain  
5 the amount of excise tax by applying to the appraisal the rate of the  
6 tax under this chapter, and give the applicant a certificate showing  
7 the excise tax due under this chapter.

8 **Sec. 41.** RCW 84.36.020 and 1994 c 124 s 16 are each amended to  
9 read as follows:

10 The following real and personal property shall be exempt from  
11 taxation:

12 (1) All lands, buildings, and personal property required for  
13 necessary administration and maintenance, used, or to the extent used,  
14 exclusively for public burying grounds or cemeteries without  
15 discrimination as to race, color, national origin or ancestry;

16 (2) Until December 31, 2005, all churches, personal property, and  
17 the ground, not exceeding five acres in area, upon which a church of  
18 any nonprofit recognized religious denomination is or shall be built,  
19 together with a parsonage, convent, and buildings and improvements  
20 required for the maintenance and safeguarding of such property. The  
21 area exempted shall in any case include all ground covered by the  
22 church, parsonage, convent, and buildings and improvements required for  
23 the maintenance and safeguarding of such property and the structures  
24 and ground necessary for street access, parking, light, and  
25 ventilation, but the area of unoccupied ground exempted in such cases,  
26 in connection with church, parsonage, convent, and buildings and  
27 improvements required for the maintenance and safeguarding of such  
28 property, shall not exceed the equivalent of one hundred twenty by one  
29 hundred twenty feet except where additional unoccupied land may be  
30 required to conform with state or local codes, zoning, or licensing  
31 requirements. The parsonage and convent need not be on land contiguous  
32 to the church property. To be exempt the property must be wholly used  
33 for church purposes: PROVIDED, That the loan or rental of property  
34 otherwise exempt under this paragraph to a nonprofit organization,  
35 association, or corporation, or school for use for an eleemosynary  
36 activity shall not nullify the exemption provided in this paragraph if  
37 the rental income, if any, is reasonable and is devoted solely to the  
38 operation and maintenance of the property.

1       **Sec. 42.** RCW 84.36.060 and 1995 c 306 s 1 are each amended to read  
2 as follows:

3       The following property shall be exempt from taxation:

4       (1) Until December 31, 2005, all art, scientific, or historical  
5 collections of associations maintaining and exhibiting such collections  
6 for the benefit of the general public and not for profit, together with  
7 all real and personal property of such associations used exclusively  
8 for the safekeeping, maintaining and exhibiting of such collections;  
9 and all the real and personal property owned by or leased to  
10 associations engaged in the production and performance of musical,  
11 dance, artistic, dramatic, or literary works for the benefit of the  
12 general public and not for profit, which real and personal property is  
13 used exclusively for this production or performance.

14       (a) To receive this exemption an organization must be organized and  
15 operated exclusively for artistic, scientific, historical, literary,  
16 musical, dance, dramatic, or educational purposes and receive a  
17 substantial part of its support (exclusive of income received in the  
18 exercise or performance by such organization of its purpose or  
19 function) from the United States or any state or any political  
20 subdivision thereof or from direct or indirect contributions from the  
21 general public.

22       (b) If the property is not currently being used for an exempt  
23 purpose but will be used for an exempt purpose within a reasonable  
24 period of time, the nonprofit organization, association, or corporation  
25 claiming the exemption must submit proof that a reasonably specific and  
26 active program is being carried out to construct, remodel, or otherwise  
27 enable the property to be used for an exempt purpose. The property  
28 does not qualify for an exemption during this interim period if the  
29 property is used by, loaned to, or rented to a for-profit organization  
30 or business enterprise. Proof of a specific and active program to  
31 build or remodel the property so it may be used for an exempt purpose  
32 may include, but is not limited to:

33       (i) Affirmative action by the board of directors, trustees, or  
34 governing body of the nonprofit organization, association, or  
35 corporation toward an active program of construction or remodeling;

36       (ii) Itemized reasons for the proposed construction or remodeling;

37       (iii) Clearly established plans for financing the construction or  
38 remodeling; or

39       (iv) Building permits.

1 (c) Notwithstanding (b) of this subsection, a for-profit limited  
2 partnership created to provide facilities for the use of nonprofit art,  
3 scientific, or historical organizations qualifies for the exemption  
4 under (b) of this subsection through 1997 if the for-profit limited  
5 partnership otherwise qualifies under (b) of this subsection.

6 (2) All fire engines and other implements used for the  
7 extinguishment of fire, with the buildings used exclusively for the  
8 safekeeping thereof, and for meetings of fire companies, provided such  
9 properties belong to any city or town or to a fire company therein.

10 (3) Property owned by humane societies in this state in actual use  
11 by such societies.

12 **Sec. 43.** RCW 46.10.040 and 2001 2nd sp.s. c 7 s 918 are each  
13 amended to read as follows:

14 (1) Application for registration shall be made to the department in  
15 the manner and upon forms the department prescribes, and shall state  
16 the name and address of each owner of the snowmobile to be registered,  
17 and shall be signed by at least one such owner, and shall be  
18 accompanied by an annual registration fee to be established by the  
19 commission, after consultation with the committee and any statewide  
20 snowmobile user groups, and after December 31, 2005, an annual excise  
21 tax of two and two-tenths percent of the fair market value of the  
22 snowmobile. The fair market value of the snowmobile shall be  
23 determined under sections 44 and 45 of this act. The commission shall  
24 increase the current fee of twenty dollars by five dollars effective  
25 September 30, 2001, and the commission shall increase the fee by  
26 another five dollars effective September 30, 2002. After the fee  
27 increase effective September 30, 2002, the commission shall not  
28 increase the fee. Upon receipt of the application and the application  
29 fee, the snowmobile shall be registered and a registration number  
30 assigned, which shall be affixed to the snowmobile in a manner provided  
31 in RCW 46.10.070.

32 (2) The registration and excise tax provided in this section shall  
33 be valid for a period of one year. At the end of the period of  
34 registration, every owner of a snowmobile in this state shall renew his  
35 or her registration in the manner the department prescribes, for an  
36 additional period of one year, upon payment of the annual registration  
37 fee as determined by the commission and payment of the annual excise  
38 tax.

1       (3) Any person acquiring a snowmobile already validly registered  
2 under the provisions of this chapter must, within ten days of the  
3 acquisition or purchase of the snowmobile, make application to the  
4 department for transfer of the registration, and the application shall  
5 be accompanied by a transfer fee of one dollar and twenty-five cents.

6       A snowmobile owned by a resident of another state or Canadian  
7 province where registration is not required by law may be issued a  
8 nonresident registration permit valid for not more than sixty days.  
9 Application for the permit shall state the name and address of each  
10 owner of the snowmobile to be registered and shall be signed by at  
11 least one owner and shall be accompanied by a registration fee of five  
12 dollars. The registration permit shall be carried on the vehicle at  
13 all times during its operation in this state.

14       (4) The registration fees and excise taxes provided in this section  
15 shall be in lieu of any personal property or excise tax heretofore  
16 imposed on snowmobiles by this state or any political subdivision  
17 thereof, and no city, county, or other municipality, and no state  
18 agency shall hereafter impose any other registration or license fee on  
19 any snowmobile in this state.

20       (5) The department shall make available a pair of uniform decals  
21 consistent with the provisions of RCW 46.10.070. In addition to the  
22 registration fee provided in this section the department shall charge  
23 each applicant for registration the actual cost of the decal. The  
24 department shall make available replacement decals for a fee equivalent  
25 to the actual cost of the decals.

26       (6) The excise tax for a snowmobile registered for the first time  
27 in this state during calendar year 2006 shall be prorated for the  
28 remaining months of the calendar year, including the month in which the  
29 snowmobile is registered, only if the current owner first acquired the  
30 snowmobile within one month of the date of application for  
31 registration. The excise tax for a snowmobile registered for the first  
32 time in this state after December 31, 2006, shall be prorated for the  
33 remaining months of the calendar year, including the month in which the  
34 snowmobile is registered. A snowmobile is registered for the first  
35 time in this state if the snowmobile was not registered in this state  
36 for the immediately preceding year.

37       NEW SECTION. Sec. 44. After consultation with the department of  
38 licensing, the department of revenue shall prepare at least once each

1 year a schedule for use in the collection of the excise tax imposed  
2 under this chapter. The schedule shall be based on available  
3 information pertaining to the fair market value of snowmobiles. The  
4 snowmobiles shall be classified into a convenient number of classes on  
5 the basis of price, make, type, year of manufacture, or any other  
6 reasonable basis, and the rate of tax shall be applied to the value of  
7 snowmobiles within the classes as determined. In determining fair  
8 market value, the department of revenue may use any guidebook, report,  
9 or compendium of recognized standing. The schedule shall show, so far  
10 as possible, the amount of excise tax for snowmobiles within each class  
11 and shall sufficiently describe the snowmobiles included within each  
12 class to enable the department of licensing and its agents to ascertain  
13 readily the amount of tax applicable to any particular snowmobile.

14 NEW SECTION. **Sec. 45.** Whenever a person applies for a  
15 registration for a snowmobile which does not appear on the schedule,  
16 the applicant shall apply to the county assessor of the applicant's  
17 county for computation of the amount of excise tax due. Upon  
18 application, the assessor shall appraise the snowmobile at its fair  
19 market value based on any guidebook, report, or compendium of  
20 recognized standing, ascertain the amount of excise tax by applying to  
21 the appraisal the rate of the tax under this chapter, and give the  
22 applicant a certificate showing the excise tax due under this chapter.

23 **Sec. 46.** RCW 15.76.165 and 1973 c 117 s 1 are each amended to read  
24 as follows:

25 Any county which owns or leases property from another governmental  
26 agency and provides such property for area or county and district  
27 agricultural fair purposes may apply to the director for special  
28 assistance in carrying out necessary capital improvements to such  
29 property and maintenance of the appurtenances thereto(~~(, and)~~). Until  
30 December 31, 2004, in the event such property and capital improvements  
31 are leased to any organization conducting an agricultural fair pursuant  
32 to chapter 15.76 RCW and chapter 257 of the Laws of 1955, such  
33 leasehold and such leased property shall be exempt from real and  
34 personal property taxation.

35 NEW SECTION. **Sec. 47.** A new section is added to chapter 43.136  
36 RCW to read as follows:

1 Tax preferences contained in the following statutes will terminate  
2 June 30, 2002, unless extended by law. These preferences, their  
3 termination, and necessary amendments to related statutes, are subject  
4 to the review procedures in this chapter:

- 5 (1) RCW 82.04.050 (2), (3), (6), and (7);
- 6 (2) RCW 82.12.010 (2) and (3);
- 7 (3) RCW 82.08.080;
- 8 (4) RCW 82.04.060;
- 9 (5) RCW 82.04.190(2);
- 10 (6) RCW 82.04.460(1);
- 11 (7) RCW 82.04.470;
- 12 (8) Sections 12, 13, 14, 15, and 16 of this act;
- 13 (9) RCW 82.12.035 and 82.12.040;
- 14 (10) RCW 82.12.060;
- 15 (11) RCW 82.14.020;
- 16 (12) RCW 82.04.255;
- 17 (13) RCW 82.08.0255(1);
- 18 (14) RCW 82.12.0256(1);
- 19 (15) RCW 82.36.230;
- 20 (16) RCW 82.36.020;
- 21 (17) RCW 82.38.080(3); and
- 22 (18) RCW 82.42.030.

23 NEW SECTION. **Sec. 48.** A new section is added to chapter 43.136  
24 RCW to read as follows:

25 Tax preferences contained in the following statutes will terminate  
26 June 30, 2003, unless extended by law. These preferences, their  
27 termination, and necessary amendments to related statutes, are subject  
28 to the review procedures in this chapter:

- 29 (1) RCW 82.04.280(6);
- 30 (2) RCW 82.16.050 (6), (7), and (8);
- 31 (3) RCW 48.14.020(1);
- 32 (4) RCW 48.44.020(1);
- 33 (5) Section 31 of this act;
- 34 (6) RCW 43.52.460;
- 35 (7) RCW 82.04.120; and
- 36 (8) RCW 82.04.260.

1        NEW SECTION.    **Sec. 49.**    A new section is added to chapter 43.136  
2 RCW to read as follows:

3        Tax preferences contained in the following statutes will terminate  
4 December 31, 2005, unless extended by law.  These preferences, their  
5 termination, and necessary amendments to related statutes, are subject  
6 to the review procedures in this chapter:

- 7        (1) RCW 15.76.165;
- 8        (2) RCW 82.48.030;
- 9        (3) RCW 84.36.110(2);
- 10       (4) RCW 84.36.480;
- 11       (5) Section 39 of this act; and
- 12       (6) Section 40 of this act.

13       NEW SECTION.    **Sec. 50.**    A new section is added to chapter 43.136  
14 RCW to read as follows:

15       Tax preferences contained in the following statutes will terminate  
16 December 31, 2005, unless extended by law.  These preferences, their  
17 termination, and necessary amendments to related statutes, are subject  
18 to the review procedures in this chapter:

- 19       (1) RCW 84.36.020(2);
- 20       (2) RCW 84.36.060(1);
- 21       (3) RCW 84.40.030(3);
- 22       (4) RCW 84.40.220;
- 23       (5) RCW 46.10.040;
- 24       (6) Section 44 of this act; and
- 25       (7) Section 45 of this act.

26       NEW SECTION.    **Sec. 51.**    A new section is added to chapter 43.136  
27 RCW to read as follows:

28       These tax preferences, their termination, and necessary amendments  
29 to related statutes, are subject to the review procedures in this  
30 chapter.  The preferences will terminate, unless extended by law:

- 31       (1) RCW 66.20.010(6).

32       NEW SECTION.    **Sec. 52.**    The following acts or parts of acts are  
33 each repealed:

- 34       (1) RCW 82.04.298 (Tax on qualified grocery distribution  
35 cooperatives) and 2001 1st sp.s. c 9 s 1;

- 1 (2) RCW 82.04.315 (Exemptions--International banking facilities)  
2 and 1982 c 95 s 7;
- 3 (3) RCW 82.04.317 (Exemptions--Motor vehicle sales by manufacturers  
4 at wholesale auctions to dealers) and 1997 c 4 s 1;
- 5 (4) RCW 82.04.322 (Exemptions--Health maintenance organization,  
6 health care service contractor, certified health plan) and 1993 c 492  
7 s 303;
- 8 (5) RCW 82.04.324 (Exemptions--Blood, bone, or tissue bank--  
9 Exceptions) and 1995 2nd sp.s. c 9 s 3;
- 10 (6) RCW 82.04.327 (Exemptions--Adult family homes) and 1987 1st  
11 ex.s. c 4 s 1;
- 12 (7) RCW 82.04.331 (Exemptions--Wholesale sales to farmers of seed  
13 for planting, conditioning seed for planting owned by others) and 1998  
14 c 170 s 2;
- 15 (8) RCW 82.04.332 (Exemptions--Buying and selling at wholesale  
16 wheat, oats, dry peas, dry beans, lentils, triticale, canola, corn,  
17 rye, and barley) and 1998 c 312 s 2;
- 18 (9) RCW 82.04.333 (Exemptions--Small harvesters) and 1990 c 141 s  
19 1;
- 20 (10) RCW 82.04.337 (Exemptions--Amounts received by hop growers or  
21 dealers for processed hops shipped outside the state) and 1987 c 495 s  
22 1;
- 23 (11) RCW 82.04.338 (Exemptions--Hop commodity commission or hop  
24 commodity board business) and 1998 c 200 s 1;
- 25 (12) RCW 82.04.339 (Exemptions--Day care provided by churches) and  
26 1992 c 81 s 1;
- 27 (13) RCW 82.04.395 (Exemptions--Certain materials printed in school  
28 district and educational service district printing facilities) and 1979  
29 ex.s. c 196 s 12;
- 30 (14) RCW 82.04.363 (Exemptions--Camp or conference center--Items  
31 sold or furnished by nonprofit organization) and 1997 c 388 s 1;
- 32 (15) RCW 82.04.3651 (Exemptions--Amounts received by nonprofit  
33 organizations for fund-raising activities) and 1999 c 358 s 3 & 1998 c  
34 336 s 2;
- 35 (16) RCW 82.04.367 (Exemptions--Nonprofit organizations that are  
36 guarantee agencies, issue debt, or provide guarantees for student  
37 loans) and 1998 c 324 s 1 & 1987 c 433 s 1;
- 38 (17) RCW 82.04.368 (Exemptions--Nonprofit organizations--Credit and  
39 debt services) and 1993 c 390 s 1;



1 (18) RCW 82.04.392 (Exemptions--Mortgage brokers' third-party  
2 provider services trust accounts) and 1998 c 311 s 3 & 1997 c 106 s 21;  
3 (19) RCW 82.04.394 (Exemptions--Amounts received by property  
4 management company for on-site personnel) and 1998 c 338 s 2;  
5 (20) RCW 82.04.399 (Exemptions--Sales of academic transcripts) and  
6 1996 c 272 s 1;  
7 (21) RCW 82.04.416 (Exemptions--Operation of state route No. 16)  
8 and 1998 c 179 s 3;  
9 (22) RCW 82.04.4201 (Exemptions--Sales/leasebacks by regional  
10 transit authorities) and 2000 2nd sp.s. c 4 s 24;  
11 (23) RCW 82.04.421 (Exemptions--Out-of-state membership sales in  
12 discount programs) and 1997 c 408 s 1;  
13 (24) RCW 82.04.422 (Exemptions--Wholesale sales of motor vehicles)  
14 and 2001 c 258 s 1;  
15 (25) RCW 82.04.4327 (Deductions--Artistic and cultural  
16 organizations--Income from business activities) and 1985 c 471 s 6;  
17 (26) RCW 82.04.4329 (Deductions--Health insurance pool members--  
18 Deficit assessments) and 1987 c 431 s 24;  
19 (27) RCW 82.04.433 (Deductions--Sales of fuel for consumption  
20 outside United States' waters by vessels in foreign commerce--  
21 Construction) and 1985 c 471 s 16;  
22 (28) RCW 82.04.4331 (Deductions--Insurance claims for state health  
23 care coverage) and 1988 c 107 s 33;  
24 (29) RCW 82.04.4332 (Deductions--Tuition fees of foreign degree-  
25 granting institutions) and 1993 c 181 s 10;  
26 (30) RCW 82.04.4333 (Credit--Job training services--Approval) and  
27 1996 c 1 s 4;  
28 (31) RCW 82.04.434 (Credit--Public safety standards and testing)  
29 and 1991 c 13 s 1;  
30 (32) RCW 82.04.44525 (Credit--New employment for international  
31 service activities in eligible areas--Designation of census tracts for  
32 eligibility--Records--Tax due upon ineligibility--Interest assessment--  
33 Information from employment security department) and 1998 c 313 s 2;  
34 (33) RCW 82.04.4453 (Credit--Ride-sharing, public transportation,  
35 or nonmotorized commuting incentives--Penalty--Report to legislature)  
36 and 1999 c 402 s 1, 1996 c 128 s 1, & 1994 c 270 s 2;  
37 (34) RCW 82.04.4454 (Credit--Ride-sharing, public transportation,  
38 or nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 3, 1996  
39 c 128 s 2, & 1994 c 270 s 3;

1 (35) RCW 82.08.02525 (Exemptions--Sale of copied public records by  
2 state and local agencies) and 1996 c 63 s 1;  
3 (36) RCW 82.08.02535 (Exemptions--Sales and distribution of  
4 magazines or periodicals by subscription for fund-raising) and 1995 2nd  
5 sp.s. c 8 s 1;  
6 (37) RCW 82.08.02537 (Exemptions--Sales of academic transcripts)  
7 and 1996 c 272 s 2;  
8 (38) RCW 82.08.02565 (Exemptions--Sales of machinery and equipment  
9 for manufacturing, research and development, or a testing operation--  
10 Labor and services for installation--Exemption certificate--Rules) and  
11 1999 c 211 s 5, 1999 c 211 s 3, & 1998 c 330 s 1;  
12 (39) RCW 82.08.02566 (Exemptions--Sales of tangible personal  
13 property incorporated in prototype for parts, auxiliary equipment, and  
14 aircraft modification--Limitations on yearly exemption) and 1997 c 302  
15 s 1 & 1996 c 247 s 4;  
16 (40) RCW 82.08.02567 (Exemptions--Sales related to machinery and  
17 equipment used in generating electricity) and 2001 c 213 s 1, 1999 c  
18 358 s 4, 1998 c 309 s 1, & 1996 c 166 s 1;  
19 (41) RCW 82.08.02568 (Exemptions--Sales of carbon and similar  
20 substances that become an ingredient or component of anodes or cathodes  
21 used in producing aluminum for sale) and 1996 c 170 s 1;  
22 (42) RCW 82.08.02569 (Exemptions--Sales of tangible personal  
23 property related to a building or structure that is an integral part of  
24 a laser interferometer gravitational wave observatory) and 1996 c 113  
25 s 1;  
26 (43) RCW 82.08.02573 (Exemptions--Sales by a nonprofit organization  
27 for fund-raising activities) and 1998 c 336 s 3;  
28 (44) RCW 82.08.026 (Exemptions--Sales of natural or manufactured  
29 gas) and 1994 c 124 s 8 & 1989 c 384 s 4;  
30 (45) RCW 82.08.02665 (Exemptions--Sales of watercraft, vessels to  
31 residents of foreign countries) and 1999 c 358 s 6 & 1993 c 119 s 1;  
32 (46) RCW 82.08.02745 (Exemptions--Charges for labor and services or  
33 sales of tangible personal property related to agricultural employee  
34 housing--Exemption certificate--Rules) and 1997 c 438 s 1 & 1996 c 117  
35 s 1;  
36 (47) RCW 82.08.02795 (Exemptions--Sales to free hospitals) and 1993  
37 c 205 s 1;  
38 (48) RCW 82.08.02805 (Exemptions--Sales to blood, bone, or tissue  
39 bank--Exceptions) and 1995 2nd sp.s. c 9 s 4;

1 (49) RCW 82.08.02806 (Exemptions--Sales of human blood, tissue,  
2 organs, bodies, or body parts for medical research and quality control  
3 testing) and 1996 c 141 s 1;  
4 (50) RCW 82.08.02875 (Exemptions--Vehicle parking charges subject  
5 to tax at stadium and exhibition center) and 1997 c 220 s 203;  
6 (51) RCW 82.08.02915 (Exemptions--Sales used by health or social  
7 welfare organizations for alternative housing for youth in crisis) and  
8 1998 c 183 s 1, 1997 c 386 s 56, & 1995 c 346 s 1;  
9 (52) RCW 82.08.02917 (Youth in crisis--Definition--Limited purpose)  
10 and 1995 c 346 s 3;  
11 (53) RCW 82.08.0294 (Exemptions--Sales of feed for cultivating or  
12 raising fish for sale) and 1985 c 148 s 3;  
13 (54) RCW 82.08.0295 (Exemptions--Lease amounts and repurchase  
14 amount for certain property under sale/leaseback agreement) and 1986 c  
15 231 s 3;  
16 (55) RCW 82.08.0296 (Exemptions--Sales of feed consumed by  
17 livestock at a public livestock market) and 1986 c 265 s 1;  
18 (56) RCW 82.08.0297 (Exemptions--Sales of food purchased with food  
19 stamps) and 1998 c 79 s 18 & 1987 c 28 s 1;  
20 (57) RCW 82.08.0298 (Exemptions--Sales of diesel fuel for use in  
21 operating watercraft in commercial deep sea fishing or commercial  
22 passenger fishing boat operations outside the state) and 1987 c 494 s  
23 1;  
24 (58) RCW 82.08.0299 (Exemptions--Emergency lodging for homeless  
25 persons--Conditions) and 1988 c 61 s 1;  
26 (59) RCW 82.08.0311 (Exemptions--Sales of materials and supplies  
27 used in packing horticultural products) and 1988 c 68 s 1;  
28 (60) RCW 82.08.0315 (Exemptions--Rentals or sales related to motion  
29 picture or video productions--Exceptions--Certificate) and 1997 c 61 s  
30 1 & 1995 2nd sp.s. c 5 s 1;  
31 (61) RCW 82.08.036 (Exemptions--Vehicle battery core deposits or  
32 credits--Replacement vehicle tire fees--"Core deposits or credits"  
33 defined) and 1989 c 431 s 45;  
34 (62) RCW 82.08.810 (Exemptions--Air pollution control facilities at  
35 a thermal electric generation facility--Exceptions--Exemption  
36 certificate--Payments on cessation of operation) and 1997 c 368 s 2;  
37 (63) RCW 82.08.811 (Exemptions--Coal used at coal-fired thermal  
38 electric generation facility--Application--Demonstration of progress in

1 air pollution control--Notice of emissions violations-- Reapplication--  
2 Payments on cessation of operation) and 1997 c 368 s 4;  
3 (64) RCW 82.08.820 (Exemptions--Remittance--Warehouse and grain  
4 elevators and distribution centers--Material-handling and racking  
5 equipment--Construction of warehouse or elevator--Information sheet--  
6 Rules--Records--Exceptions) and 1997 c 450 s 2;  
7 (65) RCW 82.08.830 (Exemptions--Sales at camp or conference center  
8 by nonprofit organization) and 1997 c 388 s 2;  
9 (66) RCW 82.08.832 (Exemptions--Sales of gun safes) and 1998 c 178  
10 s 1;  
11 (67) RCW 82.08.834 (Exemptions--Sales/leasebacks by regional  
12 transit authorities) and 2000 2nd sp.s. c 4 s 21;  
13 (68) RCW 82.08.840 (Exemptions--Machinery, equipment, or structures  
14 that reduce field burning) and 2000 c 40 s 2;  
15 (69) RCW 82.08.850 (Exemptions--Conifer seed) and 2001 c 129 s 2;  
16 (70) RCW 82.08.860 (Exemptions--Landslide area) and 2001 c 113 s 1;  
17 (71) RCW 82.08.870 (Exemptions--Motorcycles for training programs)  
18 and 2001 c 285 s 2;  
19 (72) RCW 82.08.880 (Exemptions--Animal pharmaceuticals) and 2001  
20 2nd sp.s. c 17 s 1;  
21 (73) RCW 82.08.890 (Exemptions--Dairy nutrient management equipment  
22 and facilities) and 2001 2nd sp.s. c 18 s 2;  
23 (74) RCW 82.08.900 (Exemptions--Anaerobic digesters) and 2001 2nd  
24 sp.s. c 18 s 4;  
25 (75) RCW 82.08.910 (Exemptions--Propane or natural gas to heat  
26 chicken structures) and 2001 2nd sp.s. c 25 s 3;  
27 (76) RCW 82.08.920 (Exemptions--Chicken bedding materials) and 2001  
28 2nd sp.s. c 25 s 5;  
29 (77) RCW 82.12.022 (Natural or manufactured gas--Use tax imposed--  
30 Exemption) and 1994 c 124 s 9 & 1989 c 384 s 3;  
31 (78) RCW 82.12.02545 (Exemption--Use of naval aircraft training  
32 equipment transferred due to base closure) and 1995 c 128 s 1;  
33 (79) RCW 82.12.02565 (Exemptions--Machinery and equipment used for  
34 manufacturing, research and development, or a testing operation) and  
35 1999 c 211 s 6, 1998 c 330 s 2, 1996 c 247 s 3, & 1995 1st sp.s. c 3 s  
36 3;  
37 (80) RCW 82.12.02566 (Exemptions--Use of tangible personal property  
38 incorporated in prototype for aircraft parts, auxiliary equipment, and

1 aircraft modification--Limitations on yearly exemption) and 1997 c 302  
2 s 2 & 1996 c 247 s 5;

3 (81) RCW 82.12.02568 (Exemptions--Use of carbon and similar  
4 substances that become an ingredient or component of anodes or cathodes  
5 used in producing aluminum for sale) and 1996 c 170 s 2;

6 (82) RCW 82.12.02569 (Exemptions--Use of tangible personal property  
7 related to a building or structure that is an integral part of a laser  
8 interferometer gravitational wave observatory) and 1996 c 113 s 2;

9 (83) RCW 82.12.02595 (Exemptions--Use of donated tangible personal  
10 property by nonprofit organization or governmental entity or for  
11 purpose donated--Use of related property) and 1998 c 182 s 1 & 1995 c  
12 201 s 1;

13 (84) RCW 82.12.02685 (Exemptions--Use of tangible personal property  
14 related to agricultural employee housing) and 1997 c 438 s 2 & 1996 c  
15 117 s 2;

16 (85) RCW 82.12.02745 (Exemptions--Use by free hospitals of certain  
17 items) and 1993 c 205 s 2;

18 (86) RCW 82.12.02747 (Exemptions--Use by blood, bone, or tissue  
19 bank--Exceptions) and 1995 2nd sp.s. c 9 s 5;

20 (87) RCW 82.12.02748 (Exemptions--Use of human blood, tissue,  
21 organs, bodies, or body parts for medical research or quality control  
22 testing) and 1996 c 141 s 2;

23 (88) RCW 82.12.02915 (Exemptions--Use of items by health or social  
24 welfare organizations for alternative housing for youth in crisis) and  
25 1998 c 183 s 2, 1997 c 386 s 57, & 1995 c 346 s 2;

26 (89) RCW 82.12.02917 (Exemptions--Use of amusement and recreation  
27 services by nonprofit youth organization) and 1999 c 358 s 7;

28 (90) RCW 82.12.0294 (Exemptions--Use of feed for cultivating or  
29 raising fish for sale) and 1985 c 148 s 4;

30 (91) RCW 82.12.0295 (Exemptions--Lease amounts and repurchase  
31 amount for certain property under sale/leaseback agreement) and 1986 c  
32 231 s 4;

33 (92) RCW 82.12.0296 (Exemptions--Use of feed consumed by livestock  
34 at a public livestock market) and 1986 c 265 s 2;

35 (93) RCW 82.12.0297 (Exemptions--Use of food purchased with food  
36 stamps) and 1998 c 79 s 19 & 1987 c 28 s 2;

37 (94) RCW 82.12.0298 (Exemptions--Use of diesel fuel in operating  
38 watercraft in commercial deep sea fishing or commercial passenger  
39 fishing boat operations outside the state) and 1987 c 494 s 2;

1 (95) RCW 82.12.0311 (Exemptions--Use of materials and supplies in  
2 packing horticultural products) and 1988 c 68 s 2;  
3 (96) RCW 82.12.0315 (Exemptions--Rental or sales related to motion  
4 picture or video productions--Exceptions) and 1995 2nd sp.s. c 5 s 2;  
5 (97) RCW 82.12.0345 (Exemptions--Use of newspapers) and 1994 c 124  
6 s 11;  
7 (98) RCW 82.12.0347 (Exemptions--Use of academic transcripts) and  
8 1996 c 272 s 3;  
9 (99) RCW 82.12.038 (Exemptions--Vehicle battery core deposits or  
10 credits--Replacement vehicle tire fees--"Core deposits or credits"  
11 defined) and 1989 c 431 s 46;  
12 (100) RCW 82.12.800 (Exemptions--Uses of vessel, vessel's trailer  
13 by manufacturer) and 1997 c 293 s 1;  
14 (101) RCW 82.12.801 (Exemptions--Uses of vessel, vessel's trailer  
15 by dealer) and 1997 c 293 s 2;  
16 (102) RCW 82.12.802 (Vessels held in inventory by dealer or  
17 manufacturer--Tax on personal use--Documentation--Rules) and 1997 c 293  
18 s 3;  
19 (103) RCW 82.12.810 (Exemptions--Air pollution control facilities  
20 at a thermal electric generation facility--Exceptions--Payments on  
21 cessation of operation) and 1997 c 368 s 3;  
22 (104) RCW 82.12.811 (Exemptions--Coal used at coal-fired thermal  
23 electric generation facility--Application--Demonstration of progress in  
24 air pollution control--Notice of emissions violations--Reapplication--  
25 Payments on cessation of operation) and 1997 c 368 s 6;  
26 (105) RCW 82.12.820 (Exemptions--Warehouse and grain elevators and  
27 distribution centers) and 2000 c 103 s 9 & 1997 c 450 s 3;  
28 (106) RCW 82.12.832 (Exemptions--Use of gun safes) and 1998 c 178  
29 s 2;  
30 (107) RCW 82.12.834 (Exemptions--Sales/leasebacks by regional  
31 transit authorities) and 2001 c 320 s 6 & 2000 2nd sp.s. c 4 s 22;  
32 (108) RCW 82.12.840 (Exemptions--Machinery, equipment, or  
33 structures that reduce field burning) and 2000 c 40 s 3;  
34 (109) RCW 82.12.845 (Use of motorcycles loaned to department of  
35 licensing) and 2001 c 121 s 1;  
36 (110) RCW 82.12.850 (Exemptions--Conifer seed) and 2001 c 129 s 3;  
37 (111) RCW 82.12.880 (Exemptions--Animal pharmaceuticals) and 2001  
38 2nd sp.s. c 17 s 2;

1 (112) RCW 82.12.890 (Exemptions--Dairy nutrient management  
2 equipment and facilities) and 2001 2nd sp.s. c 18 s 3;  
3 (113) RCW 82.12.900 (Exemptions--Anaerobic digesters) and 2001 2nd  
4 sp.s. c 18 s 5;  
5 (114) RCW 82.12.910 (Exemptions--Propane or natural gas to heat  
6 chicken structures) and 2001 2nd sp.s. c 25 s 4;  
7 (115) RCW 82.12.920 (Exemptions--Chicken bedding materials) and  
8 2001 2nd sp.s. c 25 s 6;  
9 (116) RCW 82.08.0259 (Exemptions--Sales of livestock) and 2001 c  
10 118 s 4 & 1980 c 37 s 27;  
11 (117) RCW 82.12.0261 (Exemptions--Use of livestock) and 2001 c 118  
12 s 5 & 1980 c 37 s 60;  
13 (118) RCW 82.08.0267 (Exemptions--Sales of poultry for producing  
14 poultry and poultry products for sale) and 1980 c 37 s 34;  
15 (119) RCW 82.12.0262 (Exemptions--Use of poultry for producing  
16 poultry and poultry products for sale) and 1980 c 37 s 61;  
17 (120) RCW 82.08.0272 (Exemptions--Sales of semen for artificial  
18 insemination of livestock) and 1980 c 37 s 38;  
19 (121) RCW 82.12.0267 (Exemptions--Use of semen in artificial  
20 insemination of livestock) and 1980 c 37 s 66;  
21 (122) RCW 82.08.0277 (Exemptions--Sales of pollen) and 1980 c 37 s  
22 43;  
23 (123) RCW 82.12.0273 (Exemptions--Use of pollen) and 1980 c 37 s  
24 71;  
25 (124) RCW 82.08.0257 (Exemptions--Auction sales of tangible  
26 personal property used in farming) and 1980 c 37 s 25;  
27 (125) RCW 82.12.0258 (Exemptions--Use of tangible personal property  
28 previously used in farming and purchased from farmer at auction) and  
29 1980 c 37 s 58;  
30 (126) RCW 82.12.0265 (Exemptions--Use by bailee of tangible  
31 personal property consumed in research, development, etc., activities)  
32 and 1980 c 37 s 64;  
33 (127) RCW 82.08.0276 (Exemptions--Sales of wearing apparel for use  
34 only as a sample for display for sale) and 1980 c 37 s 42;  
35 (128) RCW 82.12.0271 (Exemptions--Use of wearing apparel only as a  
36 sample for display for sale) and 1980 c 37 s 69;  
37 (129) RCW 82.08.0253 (Exemptions--Sale and distribution of  
38 newspapers) and 1980 c 37 s 21;

1 (130) RCW 82.08.0282 (Exemptions--Sales of returnable containers  
2 for beverages and foods) and 1980 c 37 s 47;

3 (131) RCW 82.08.031 (Exemptions--Sales to artistic or cultural  
4 organizations of certain objects acquired for exhibition or  
5 presentation) and 1981 c 140 s 4; and

6 (132) RCW 82.12.031 (Exemptions--Use by artistic or cultural  
7 organizations of certain objects) and 1981 c 140 s 5.

8 NEW SECTION. **Sec. 53.** The following acts or parts of acts are  
9 each repealed:

10 (1) RCW 48.32.145 (Credit against premium tax for assessments paid  
11 pursuant to RCW 48.32.060(1)(c)) and 1997 c 300 s 1, 1993 sp.s. c 25 s  
12 901, 1977 ex.s. c 183 s 1, & 1975-'76 2nd ex.s. c 109 s 11;

13 (2) RCW 82.04.330 (Exemptions--Sales of agricultural products) and  
14 2001 c 118 s 3, 1993 sp.s. c 25 s 305, 1988 c 253 s 2, & 1987 c 23 s 4;

15 (3) RCW 82.04.335 (Exemptions--Agricultural fairs) and 1965 ex.s.  
16 c 145 s 1;

17 (4) RCW 82.04.410 (Exemptions--Hatching eggs and poultry) and 1967  
18 ex.s. c 149 s 15 & 1961 c 15 s 82.04.410;

19 (5) RCW 82.04.4281 (Deductions--Investments--Dividends from  
20 subsidiary corporations) and 1980 c 37 s 2;

21 (6) RCW 82.04.4287 (Deductions--Compensation for receiving,  
22 washing, etc., horticultural products for person exempt under RCW  
23 82.04.330--Materials and supplies used) and 1980 c 37 s 8;

24 (7) RCW 82.04.4292 (Deductions--Interest on investments or loans  
25 secured by mortgages or deeds of trust) and 1980 c 37 s 12;

26 (8) RCW 82.04.4293 (Deductions--Interest on obligations of the  
27 state, its political subdivisions, and municipal corporations) and 1980  
28 c 37 s 13;

29 (9) RCW 82.04.4294 (Deductions--Interest on loans to farmers and  
30 ranchers, producers or harvesters of aquatic products, or their  
31 cooperatives) and 1980 c 37 s 14;

32 (10) RCW 82.04.4298 (Deductions--Repair, maintenance, replacement,  
33 etc., of residential structures and commonly held property--Eligible  
34 organizations) and 1980 c 37 s 18;

35 (11) RCW 82.04.4322 (Deductions--Artistic or cultural  
36 organization--Compensation from United States, state, etc., for  
37 artistic or cultural exhibitions, performances, or programs) and 1981  
38 c 140 s 1;



1 (12) RCW 82.04.4324 (Deductions--Artistic or cultural  
2 organization--Deduction for tax under RCW 82.04.240--Value of articles  
3 for use in displaying art objects or presenting artistic or cultural  
4 exhibitions, performances, or programs) and 1981 c 140 s 2;

5 (13) RCW 82.04.4326 (Deductions--Artistic or cultural  
6 organizations--Tuition charges for attending artistic or cultural  
7 education programs) and 1981 c 140 s 3;

8 (14) RCW 82.16.055 (Deductions relating to energy conservation or  
9 production from renewable resources) and 1980 c 149 s 3;

10 (15) RCW 82.29A.135 (Exemption for leasehold interests in land,  
11 buildings, machinery, etc., used to manufacture alcohol fuel--  
12 Exceptions--Limitations--Claims--Administrative rules) and 1985 c 371  
13 s 3 & 1980 c 157 s 2;

14 (16) RCW 82.35.050 (Credit against taxes--Conditions--Amount--  
15 Limitations) and 1982 1st ex.s. c 2 s 1 & 1979 ex.s. c 191 s 5;

16 (17) RCW 84.36.080 (Certain ships and vessels) and 2000 c 103 s 24,  
17 1998 c 335 s 5, 1986 c 229 s 1, 1983 2nd ex.s. c 3 s 51, 1983 c 7 s 23,  
18 & 1961 c 15 s 84.36.080; and

19 (18) RCW 84.36.105 (Cargo containers used in ocean commerce) and  
20 1975 1st ex.s. c 20 s 1.

21 NEW SECTION. **Sec. 54.** The following acts or parts of acts are  
22 each repealed:

23 (1) RCW 84.36.030 (Property used for character building,  
24 benevolent, protective or rehabilitative social services--Camp  
25 facilities--Veteran or relief organization owned property--Property of  
26 nonprofit organizations that issue debt for student loans or that are  
27 guarantee agencies) and 1993 c 327 s 2, 1990 c 283 s 6, 1987 c 433 s 2,  
28 1984 c 220 s 1, 1983 1st ex.s. c 25 s 1, & 1973 2nd ex.s. c 40 s 2;

29 (2) RCW 84.36.040 (Nonprofit day care centers, libraries,  
30 orphanages, homes or hospitals for the sick or infirm, outpatient  
31 dialysis facilities) and 2001 c 126 s 1, 1989 c 379 s 1, 1987 c 31 s 1,  
32 1984 c 220 s 2, 1973 2nd ex.s. c 40 s 3, 1973 1st ex.s. c 154 s 119,  
33 1969 ex.s. c 245 s 1, & 1961 c 15 s 84.36.040;

34 (3) RCW 84.36.050 (Schools and colleges) and 2001 c 126 s 2, 1984  
35 c 220 s 5, 1973 2nd ex.s. c 40 s 4, 1971 ex.s. c 206 s 2, 1970 ex.s. c  
36 55 s 1, & 1961 c 15 s 84.36.050;

37 (4) RCW 84.36.070 (Intangible personal property--Appraisal) and  
38 1997 c 181 s 1, 1974 ex.s. c 118 s 1, & 1961 c 15 s 84.36.070;

- 1 (5) RCW 84.36.090 (Exemption for other ships and vessels) and 1983  
2 c 7 s 24 & 1961 c 15 s 84.36.090;
- 3 (6) RCW 84.36.400 (Improvements to single family dwellings) and  
4 1972 ex.s. c 125 s 3;
- 5 (7) RCW 84.36.015 (Property valued at less than five hundred  
6 dollars--Exceptions) and 1997 c 244 s 1;
- 7 (8) RCW 84.36.042 (Nonprofit organization, corporation, or  
8 association property used to provide housing for persons with  
9 developmental disabilities) and 1998 c 202 s 1;
- 10 (9) RCW 84.36.046 (Nonprofit cancer clinic or center) and 1997 c  
11 143 s 1;
- 12 (10) RCW 84.36.255 (Improvements to benefit fish and wildlife  
13 habitat, water quality, and water quantity--Cooperative assistance to  
14 landowners--Certification of best management practice--Limitation--  
15 Landowner claim and certification) and 1997 c 295 s 2;
- 16 (11) RCW 84.36.487 (Air pollution control equipment in thermal  
17 electric generation facilities--Records--Payments on cessation of  
18 operation) and 1997 c 368 s 11;
- 19 (12) RCW 84.36.510 (Mobile homes in dealer's inventory) and 1985 c  
20 395 s 7;
- 21 (13) RCW 84.36.550 (Nonprofit organizations--Property used for  
22 solicitation or collection of gifts, donations, or grants) and 1993 c  
23 79 s 1;
- 24 (14) RCW 84.36.560 (Nonprofit organizations that provide rental  
25 housing or used space to very low-income households) and 2001 1st sp.s.  
26 c 7 s 1 & 1999 c 203 s 1;
- 27 (15) RCW 84.36.570 (Nonprofit organizations--Property used for  
28 agricultural research and education programs) and 1999 c 139 s 1;
- 29 (16) RCW 84.36.595 (Motor vehicles, travel trailers, and campers)  
30 and 2000 c 136 s 1;
- 31 (17) RCW 84.36.600 (Computer software) and 1991 sp.s. c 29 s 3;
- 32 (18) RCW 84.36.605 (Sales/leasebacks by regional transit  
33 authorities) and 2000 2nd sp.s. c 4 s 27; and
- 34 (19) RCW 84.36.630 (Farming machinery and equipment) and 2001 2nd  
35 sp.s. c 24 s 1.

36 NEW SECTION. **Sec. 55.** (1) Section 52 of this act takes effect  
37 July 1, 2002.

38 (2) Section 53 of this act takes effect July 1, 2003.

1 (3) Section 54 of this act takes effect July 1, 2005.

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