

HB 2294 - H AMD 596

By Representative Orcutt

SCOPED 06/10/2003

1 Beginning on page 2, line 3 strike all of sections 2 through 6 and
2 insert the following:

3 "Sec. 2. RCW 82.04.230 and 1993 sp.s. c 25 s 101 are each amended
4 to read as follows:

5 Upon every person engaging within this state in business as an
6 extractor; as to such persons the amount of the tax with respect to
7 such business shall be equal to the value of the products, including
8 byproducts, extracted for sale or for commercial or industrial use,
9 multiplied by the rate of 0.484 percent through September 30, 2005;
10 multiplied by the rate of 0.4235 percent effective October 1, 2005,
11 through June 30, 2007; and multiplied by the rate of 0.2904 percent
12 effective July 1, 2007.

13 The measure of the tax is the value of the products, including
14 byproducts, so extracted, regardless of the place of sale or the fact
15 that deliveries may be made to points outside the state.

16 **Sec. 3.** RCW 82.04.240 and 2003 c 149 (SB 5725) s 3 are each
17 amended to read as follows:

18 (1) Upon every person engaging within this state in business as a
19 manufacturer, except persons taxable as manufacturers under other
20 provisions of this chapter; as to such persons the amount of the tax
21 with respect to such business shall be equal to the value of the
22 products, including byproducts, manufactured, multiplied by the rate of
23 0.484 percent through September 30, 2005; multiplied by the rate of
24 0.4235 percent effective October 1, 2005, through June 30, 2007; and
25 multiplied by the rate of 0.2904 percent effective July 1, 2007.

26 (2) Upon every person engaging within this state in the business of
27 manufacturing semiconductor materials, as to such persons the amount of
28 tax with respect to such business shall, in the case of manufacturers,
29 be equal to the value of the product manufactured, or, in the case of
30 processors for hire, be equal to the gross income of the business,

1 multiplied by the rate of 0.275 percent until October 1, 2005;
2 multiplied by the rate of 0.2406 percent effective October 1, 2005,
3 until July 1, 2007; and multiplied by the rate of 0.1650 percent
4 effective July 1, 2007. For the purposes of this subsection
5 "semiconductor materials" means silicon crystals, silicon ingots, raw
6 polished semiconductor wafers, compound semiconductors, integrated
7 circuits, and microchips. This subsection (2) expires twelve years
8 after July 27, 2003.

9 (3) The measure of the tax is the value of the products, including
10 byproducts, so manufactured regardless of the place of sale or the fact
11 that deliveries may be made to points outside the state.

12 **Sec. 4.** RCW 82.04.250 and 1998 c 343 s 5 and 1998 c 312 s 4 are
13 each reenacted and amended to read as follows:

14 (1) Upon every person except persons taxable under RCW
15 82.04.260(5), 82.04.272, or subsection (2) of this section engaging
16 within this state in the business of making sales at retail, as to such
17 persons, the amount of tax with respect to such business shall be equal
18 to the gross proceeds of sales of the business, multiplied by the rate
19 of 0.471 percent through September 30, 2005; multiplied by the rate of
20 0.4121 percent effective October 1, 2005, through June 30, 2007; and
21 multiplied by the rate of 0.2826 percent effective July 1, 2007.

22 (2) Upon every person engaging within this state in the business of
23 making sales at retail that are exempt from the tax imposed under
24 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or
25 82.08.0263, as to such persons, the amount of tax with respect to such
26 business shall be equal to the gross proceeds of sales of the business,
27 multiplied by the rate of 0.484 percent through September 30, 2005;
28 multiplied by the rate of 0.4235 percent effective October 1, 2005,
29 through June 30, 2007; and multiplied by the rate of 0.2904 percent
30 effective July 1, 2007.

31 **Sec. 5.** RCW 82.04.255 and 1997 c 7 s 1 are each amended to read as
32 follows:

33 Upon every person engaging within the state as a real estate
34 broker; as to such persons, the amount of the tax with respect to such
35 business shall be equal to the gross income of the business, multiplied

1 by the rate of 1.5 percent through September 30, 2005; multiplied by
2 the rate of 1.3125 percent effective October 1, 2005, through June 30,
3 2007; and multiplied by the rate of 0.9000 percent effective July 1,
4 2007.

5 The measure of the tax on real estate commissions earned by the
6 real estate broker shall be the gross commission earned by the
7 particular real estate brokerage office including that portion of the
8 commission paid to salesmen or associate brokers in the same office on
9 a particular transaction: PROVIDED, HOWEVER, That where a real estate
10 commission is divided between an originating brokerage office and a
11 cooperating brokerage office on a particular transaction, each
12 brokerage office shall pay the tax only upon their respective shares of
13 said commission: AND PROVIDED FURTHER, That where the brokerage office
14 has paid the tax as provided herein, salesmen or associate brokers
15 within the same brokerage office shall not be required to pay a similar
16 tax upon the same transaction.

17 **Sec. 6.** RCW 82.04.260 and 2003 c 261 (2SHB 1240) s 11 are each
18 amended to read as follows:

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

21 (a) Wheat into flour, barley into pearl barley, soybeans into
22 soybean oil, canola into canola oil, canola meal, or canola byproducts,
23 or sunflower seeds into sunflower oil; as to such persons the amount of
24 tax with respect to such business shall be equal to the value of the
25 flour, pearl barley, oil, canola meal, or canola byproduct
26 manufactured, multiplied by the rate of 0.138 percent through September
27 30, 2005; multiplied by the rate of 0.1208 percent effective October 1,
28 2005, through June 30, 2007; and multiplied by the rate of 0.0828
29 percent effective July 1, 2007;

30 (b) Seafood products which remain in a raw, raw frozen, or raw
31 salted state at the completion of the manufacturing by that person; as
32 to such persons the amount of tax with respect to such business shall
33 be equal to the value of the products manufactured, multiplied by the
34 rate of 0.138 percent through September 30, 2005; multiplied by the
35 rate of 0.1208 percent effective October 1, 2005, through June 30,

1 2007; and multiplied by the rate of 0.0828 percent effective July 1,
2 2007;

3 (c) By canning, preserving, freezing, processing, or dehydrating
4 fresh fruits and vegetables, or selling at wholesale fresh fruits and
5 vegetables canned, preserved, frozen, processed, or dehydrated by the
6 seller and sold to purchasers who transport in the ordinary course of
7 business the goods out of this state; as to such persons the amount of
8 tax with respect to such business shall be equal to the value of the
9 products canned, preserved, frozen, processed, or dehydrated multiplied
10 by the rate of 0.138 percent through September 30, 2005; multiplied by
11 the rate of 0.1208 percent effective October 1, 2005, through June 30,
12 2007; and multiplied by the rate of 0.0828 percent effective July 1,
13 2007. As proof of sale to a person who transports in the ordinary
14 course of business goods out of this state, the seller shall annually
15 provide a statement in a form prescribed by the department and retain
16 the statement as a business record;

17 (d) Dairy products that as of September 20, 2001, are identified in
18 21 C.F.R., chapter 1, parts 131, 133, and 135, including byproducts
19 from the manufacturing of the dairy products such as whey and casein;
20 or selling the same to purchasers who transport in the ordinary course
21 of business the goods out of state; as to such persons the tax imposed
22 shall be equal to the value of the products manufactured multiplied by
23 the rate of 0.138 percent through September 30, 2005; multiplied by the
24 rate of 0.1208 percent effective October 1, 2005, through June 30,
25 2007; and multiplied by the rate of 0.0828 percent effective July 1,
26 2007. As proof of sale to a person who transports in the ordinary
27 course of business goods out of this state, the seller shall annually
28 provide a statement in a form prescribed by the department and retain
29 the statement as a business record; and

30 (e) Alcohol fuel, biodiesel fuel, or biodiesel feedstock, as those
31 terms are defined in RCW 82.29A.135; as to such persons the amount of
32 tax with respect to the business shall be equal to the value of alcohol
33 fuel, biodiesel fuel, or biodiesel feedstock manufactured, multiplied
34 by the rate of 0.138 percent through September 30, 2005; multiplied by
35 the rate of 0.1208 percent effective October 1, 2005, through June 30,
36 2007; and multiplied by the rate of 0.0828 percent effective July 1,
37 2007. This subsection (1)(e) expires July 1, 2009.

1 (2) Upon every person engaging within this state in the business of
2 splitting or processing dried peas; as to such persons the amount of
3 tax with respect to such business shall be equal to the value of the
4 peas split or processed, multiplied by the rate of 0.138 percent
5 through September 30, 2005; multiplied by the rate of 0.1208 percent
6 effective October 1, 2005, through June 30, 2007; and multiplied by the
7 rate of 0.0828 percent effective July 1, 2007.

8 (3) Upon every nonprofit corporation and nonprofit association
9 engaging within this state in research and development, as to such
10 corporations and associations, the amount of tax with respect to such
11 activities shall be equal to the gross income derived from such
12 activities multiplied by the rate of 0.484 percent through September
13 30, 2005; multiplied by the rate of 0.4235 percent effective October 1,
14 2005, through June 30, 2007; and multiplied by the rate of 0.2904
15 percent effective July 1, 2007.

16 (4) Upon every person engaging within this state in the business of
17 slaughtering, breaking and/or processing perishable meat products
18 and/or selling the same at wholesale only and not at retail; as to such
19 persons the tax imposed shall be equal to the gross proceeds derived
20 from such sales multiplied by the rate of 0.138 percent through
21 September 30, 2005; multiplied by the rate of 0.1208 percent effective
22 October 1, 2005, through June 30, 2007; and multiplied by the rate of
23 0.0828 percent effective July 1, 2007.

24 (5) Upon every person engaging within this state in the business of
25 making sales, at retail or wholesale, of nuclear fuel assemblies
26 manufactured by that person, as to such persons the amount of tax with
27 respect to such business shall be equal to the gross proceeds of sales
28 of the assemblies multiplied by the rate of 0.275 percent until October
29 1, 2005; multiplied by the rate of 0.2406 percent effective October 1,
30 2005, until July 1, 2007; and multiplied by the rate of 0.1650 percent
31 effective July 1, 2007.

32 (6) Upon every person engaging within this state in the business of
33 manufacturing nuclear fuel assemblies, as to such persons the amount of
34 tax with respect to such business shall be equal to the value of the
35 products manufactured multiplied by the rate of 0.275 percent until
36 October 1, 2005; multiplied by the rate of 0.2406 percent effective

1 October 1, 2005, until July 1, 2007; and multiplied by the rate of
2 0.1650 percent effective July 1, 2007.

3 (7) Upon every person engaging within this state in the business of
4 acting as a travel agent or tour operator; as to such persons the
5 amount of the tax with respect to such activities shall be equal to the
6 gross income derived from such activities multiplied by the rate of
7 0.275 percent until October 1, 2005; multiplied by the rate of 0.2406
8 percent effective October 1, 2005, until July 1, 2007; and multiplied
9 by the rate of 0.1650 percent effective July 1, 2007.

10 (8) Upon every person engaging within this state in business as an
11 international steamship agent, international customs house broker,
12 international freight forwarder, vessel and/or cargo charter broker in
13 foreign commerce, and/or international air cargo agent; as to such
14 persons the amount of the tax with respect to only international
15 activities shall be equal to the gross income derived from such
16 activities multiplied by the rate of 0.275 percent until October 1,
17 2005; multiplied by the rate of 0.2406 percent effective October 1,
18 2005, until July 1, 2007; and multiplied by the rate of 0.1650 percent
19 effective July 1, 2007.

20 (9) Upon every person engaging within this state in the business of
21 stevedoring and associated activities pertinent to the movement of
22 goods and commodities in waterborne interstate or foreign commerce; as
23 to such persons the amount of tax with respect to such business shall
24 be equal to the gross proceeds derived from such activities multiplied
25 by the rate of 0.275 percent until October 1, 2005; multiplied by the
26 rate of 0.2406 percent effective October 1, 2005, until July 1, 2007;
27 and multiplied by the rate of 0.1650 percent effective July 1, 2007.

28 Persons subject to taxation under this subsection shall be exempt from
29 payment of taxes imposed by chapter 82.16 RCW for that portion of their
30 business subject to taxation under this subsection. Stevedoring and
31 associated activities pertinent to the conduct of goods and commodities
32 in waterborne interstate or foreign commerce are defined as all
33 activities of a labor, service or transportation nature whereby cargo
34 may be loaded or unloaded to or from vessels or barges, passing over,
35 onto or under a wharf, pier, or similar structure; cargo may be moved
36 to a warehouse or similar holding or storage yard or area to await
37 further movement in import or export or may move to a consolidation

1 freight station and be stuffed, unstuffed, containerized, separated or
2 otherwise segregated or aggregated for delivery or loaded on any mode
3 of transportation for delivery to its consignee. Specific activities
4 included in this definition are: Wharfage, handling, loading,
5 unloading, moving of cargo to a convenient place of delivery to the
6 consignee or a convenient place for further movement to export mode;
7 documentation services in connection with the receipt, delivery,
8 checking, care, custody and control of cargo required in the transfer
9 of cargo; imported automobile handling prior to delivery to consignee;
10 terminal stevedoring and incidental vessel services, including but not
11 limited to plugging and unplugging refrigerator service to containers,
12 trailers, and other refrigerated cargo receptacles, and securing ship
13 hatch covers.

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

20 If the gross income of the taxpayer is attributable to activities
21 both within and without this state, the gross income attributable to
22 this state shall be determined in accordance with the methods of
23 apportionment required under RCW 82.04.460.

24 (11) Upon every person engaging within this state as an insurance
25 agent, insurance broker, or insurance solicitor licensed under chapter
26 48.17 RCW; as to such persons, the amount of the tax with respect to
27 such licensed activities shall be equal to the gross income of such
28 business multiplied by the rate of 0.484 percent through September 30,
29 2005; multiplied by the rate of 0.4235 percent effective October 1,
30 2005, through June 30, 2007; and multiplied by the rate of 0.2904
31 percent effective July 1, 2007.

32 (12) Upon every person engaging within this state in business as a
33 hospital, as defined in chapter 70.41 RCW, that is operated as a
34 nonprofit corporation or by the state or any of its political
35 subdivisions, as to such persons, the amount of tax with respect to
36 such activities shall be equal to the gross income of the business
37 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5

1 percent thereafter through September 30, 2005; multiplied by the rate
2 of 1.3125 percent effective October 1, 2005, through June 30, 2007; and
3 multiplied by the rate of 0.9000 percent effective July 1, 2007. The
4 moneys collected under this subsection shall be deposited in the health
5 services account created under RCW 43.72.900.

6 **Sec. 7.** RCW 82.04.260 and 2003 c 339 (EHB 2146) s 11 are each
7 amended to read as follows:

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

10 (a) Wheat into flour, barley into pearl barley, soybeans into
11 soybean oil, canola into canola oil, canola meal, or canola byproducts,
12 or sunflower seeds into sunflower oil; as to such persons the amount of
13 tax with respect to such business shall be equal to the value of the
14 flour, pearl barley, oil, canola meal, or canola byproduct
15 manufactured, multiplied by the rate of 0.138 percent through September
16 30, 2005; multiplied by the rate of 0.1208 percent effective October 1,
17 2005, through June 30, 2007; and multiplied by the rate of 0.0828
18 percent effective July 1, 2007;

19 (b) Seafood products which remain in a raw, raw frozen, or raw
20 salted state at the completion of the manufacturing by that person; as
21 to such persons the amount of tax with respect to such business shall
22 be equal to the value of the products manufactured, multiplied by the
23 rate of 0.138 percent through September 30, 2005; multiplied by the
24 rate of 0.1208 percent effective October 1, 2005, through June 30,
25 2007; and multiplied by the rate of 0.0828 percent effective July 1,
26 2007;

27 (c) By canning, preserving, freezing, processing, or dehydrating
28 fresh fruits and vegetables, or selling at wholesale fresh fruits and
29 vegetables canned, preserved, frozen, processed, or dehydrated by the
30 seller and sold to purchasers who transport in the ordinary course of
31 business the goods out of this state; as to such persons the amount of
32 tax with respect to such business shall be equal to the value of the
33 products canned, preserved, frozen, processed, or dehydrated multiplied
34 by the rate of 0.138 percent through September 30, 2005; multiplied by
35 the rate of 0.1208 percent effective October 1, 2005, through June 30,
36 2007; and multiplied by the rate of 0.0828 percent effective July 1,

1 2007. As proof of sale to a person who transports in the ordinary
2 course of business goods out of this state, the seller shall annually
3 provide a statement in a form prescribed by the department and retain
4 the statement as a business record;

5 (d) Dairy products that as of September 20, 2001, are identified in
6 21 C.F.R., chapter 1, parts 131, 133, and 135, including byproducts
7 from the manufacturing of the dairy products such as whey and casein;
8 or selling the same to purchasers who transport in the ordinary course
9 of business the goods out of state; as to such persons the tax imposed
10 shall be equal to the value of the products manufactured multiplied by
11 the rate of 0.138 percent through September 30, 2005; multiplied by the
12 rate of 0.1208 percent effective October 1, 2005, through June 30,
13 2007; and multiplied by the rate of 0.0828 percent effective July 1,
14 2007. As proof of sale to a person who transports in the ordinary
15 course of business goods out of this state, the seller shall annually
16 provide a statement in a form prescribed by the department and retain
17 the statement as a business record; and

18 (e) Alcohol fuel or wood biomass fuel, as those terms are defined
19 in RCW 82.29A.135; as to such persons the amount of tax with respect to
20 the business shall be equal to the value of alcohol fuel or wood
21 biomass fuel manufactured, multiplied by the rate of 0.138 percent
22 through September 30, 2005; multiplied by the rate of 0.1208 percent
23 effective October 1, 2005, through June 30, 2007; and multiplied by the
24 rate of 0.0828 percent effective July 1, 2007.

25 (2) Upon every person engaging within this state in the business of
26 splitting or processing dried peas; as to such persons the amount of
27 tax with respect to such business shall be equal to the value of the
28 peas split or processed, multiplied by the rate of 0.138 percent
29 through September 30, 2005; multiplied by the rate of 0.1208 percent
30 effective October 1, 2005, through June 30, 2007; and multiplied by the
31 rate of 0.0828 percent effective July 1, 2007.

32 (3) Upon every nonprofit corporation and nonprofit association
33 engaging within this state in research and development, as to such
34 corporations and associations, the amount of tax with respect to such
35 activities shall be equal to the gross income derived from such
36 activities multiplied by the rate of 0.484 percent through September

1 30, 2005; multiplied by the rate of 0.4235 percent effective October 1,
2 2005, through June 30, 2007; and multiplied by the rate of 0.2904
3 percent effective July 1, 2007.

4 (4) Upon every person engaging within this state in the business of
5 slaughtering, breaking and/or processing perishable meat products
6 and/or selling the same at wholesale only and not at retail; as to such
7 persons the tax imposed shall be equal to the gross proceeds derived
8 from such sales multiplied by the rate of 0.138 percent through
9 September 30, 2005; multiplied by the rate of 0.1208 percent effective
10 October 1, 2005, through June 30, 2007; and multiplied by the rate of
11 0.0828 percent effective July 1, 2007.

12 (5) Upon every person engaging within this state in the business of
13 making sales, at retail or wholesale, of nuclear fuel assemblies
14 manufactured by that person, as to such persons the amount of tax with
15 respect to such business shall be equal to the gross proceeds of sales
16 of the assemblies multiplied by the rate of 0.275 percent until October
17 1, 2005; multiplied by the rate of 0.2406 percent effective October 1,
18 2005, until July 1, 2007; and multiplied by the rate of 0.1650 percent
19 effective July 1, 2007.

20 (6) Upon every person engaging within this state in the business of
21 manufacturing nuclear fuel assemblies, as to such persons the amount of
22 tax with respect to such business shall be equal to the value of the
23 products manufactured multiplied by the rate of 0.275 percent until
24 October 1, 2005; multiplied by the rate of 0.2406 percent effective
25 October 1, 2005, until July 1, 2007; and multiplied by the rate of
26 0.1650 percent effective July 1, 2007.

27 (7) Upon every person engaging within this state in the business of
28 acting as a travel agent or tour operator; as to such persons the
29 amount of the tax with respect to such activities shall be equal to the
30 gross income derived from such activities multiplied by the rate of
31 0.275 percent until October 1, 2005; multiplied by the rate of 0.2406
32 percent effective October 1, 2005, until July 1, 2007; and multiplied
33 by the rate of 0.1650 percent effective July 1, 2007.

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

1 persons the amount of the tax with respect to only international
2 activities shall be equal to the gross income derived from such
3 activities multiplied by the rate of 0.275 percent until October 1,
4 2005; multiplied by the rate of 0.2406 percent effective October 1,
5 2005, until July 1, 2007; and multiplied by the rate of 0.1650 percent
6 effective July 1, 2007.

7 (9) Upon every person engaging within this state in the business of
8 stevedoring and associated activities pertinent to the movement of
9 goods and commodities in waterborne interstate or foreign commerce; as
10 to such persons the amount of tax with respect to such business shall
11 be equal to the gross proceeds derived from such activities multiplied
12 by the rate of 0.275 percent until October 1, 2005; multiplied by the
13 rate of 0.2406 percent effective October 1, 2005, until July 1, 2007;
14 and multiplied by the rate of 0.1650 percent effective July 1, 2007.

15 Persons subject to taxation under this subsection shall be exempt from
16 payment of taxes imposed by chapter 82.16 RCW for that portion of their
17 business subject to taxation under this subsection. Stevedoring and
18 associated activities pertinent to the conduct of goods and commodities
19 in waterborne interstate or foreign commerce are defined as all
20 activities of a labor, service or transportation nature whereby cargo
21 may be loaded or unloaded to or from vessels or barges, passing over,
22 onto or under a wharf, pier, or similar structure; cargo may be moved
23 to a warehouse or similar holding or storage yard or area to await
24 further movement in import or export or may move to a consolidation
25 freight station and be stuffed, unstuffed, containerized, separated or
26 otherwise segregated or aggregated for delivery or loaded on any mode
27 of transportation for delivery to its consignee. Specific activities
28 included in this definition are: Wharfage, handling, loading,
29 unloading, moving of cargo to a convenient place of delivery to the
30 consignee or a convenient place for further movement to export mode;
31 documentation services in connection with the receipt, delivery,
32 checking, care, custody and control of cargo required in the transfer
33 of cargo; imported automobile handling prior to delivery to consignee;
34 terminal stevedoring and incidental vessel services, including but not
35 limited to plugging and unplugging refrigerator service to containers,
36 trailers, and other refrigerated cargo receptacles, and securing ship
37 hatch covers.

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

7 If the gross income of the taxpayer is attributable to activities
8 both within and without this state, the gross income attributable to
9 this state shall be determined in accordance with the methods of
10 apportionment required under RCW 82.04.460.

11 (11) Upon every person engaging within this state as an insurance
12 agent, insurance broker, or insurance solicitor licensed under chapter
13 48.17 RCW; as to such persons, the amount of the tax with respect to
14 such licensed activities shall be equal to the gross income of such
15 business multiplied by the rate of 0.484 percent through September 30,
16 2005; multiplied by the rate of 0.4235 percent effective October 1,
17 2005, through June 30, 2007; and multiplied by the rate of 0.2904
18 percent effective July 1, 2007.

19 (12) Upon every person engaging within this state in business as a
20 hospital, as defined in chapter 70.41 RCW, that is operated as a
21 nonprofit corporation or by the state or any of its political
22 subdivisions, as to such persons, the amount of tax with respect to
23 such activities shall be equal to the gross income of the business
24 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
25 percent thereafter through September 30, 2005; multiplied by the rate
26 of 1.3125 percent effective October 1, 2005, through June 30, 2007; and
27 multiplied by the rate of 0.9000 percent effective July 1, 2007. The
28 moneys collected under this subsection shall be deposited in the health
29 services account created under RCW 43.72.900.

30 **Sec. 8.** RCW 82.04.263 and 1996 c 112 s 3 are each amended to read
31 as follows:

32 Upon every person engaging within this state in the business of
33 cleaning up for the United States, or its instrumentalities,
34 radioactive waste and other byproducts of weapons production and
35 nuclear research and development; as to such persons the amount of the
36 tax with respect to such business shall be equal to the value of the

1 gross income of the business multiplied by the rate of 0.471 percent
2 through September 30, 2005; multiplied by the rate of 0.4121 percent
3 effective October 1, 2005, through June 30, 2007; and multiplied by the
4 rate of 0.2826 percent effective July 1, 2007.

5 For the purposes of this chapter, "cleaning up radioactive waste
6 and other byproducts of weapons production and nuclear research and
7 development" means the activities of handling, storing, treating,
8 immobilizing, stabilizing, or disposing of radioactive waste,
9 radioactive tank waste and capsules, nonradioactive hazardous solid and
10 liquid wastes, or spent nuclear fuel; spent nuclear fuel conditioning;
11 removal of contamination in soils and ground water; decontamination and
12 decommissioning of facilities; and activities integral and necessary to
13 the direct performance of cleanup.

14 **Sec. 9.** RCW 82.04.270 and 2001 1st sp.s. c 9 s 3 are each amended
15 to read as follows:

16 Upon every person except persons taxable under RCW 82.04.260(5),
17 82.04.298, or 82.04.272 engaging within this state in the business of
18 making sales at wholesale; as to such persons the amount of tax with
19 respect to such business shall be equal to the gross proceeds of sales
20 of such business multiplied by the rate of 0.484 percent through
21 September 30, 2005; multiplied by the rate of 0.4235 percent effective
22 October 1, 2005, through June 30, 2007; and multiplied by the rate of
23 0.2904 percent effective July 1, 2007.

24 **Sec. 10.** RCW 82.04.272 and 1998 c 343 s 1 are each amended to read
25 as follows:

26 (1) Upon every person engaging within this state in the business of
27 warehousing and reselling prescription drugs; as to such persons, the
28 amount of the tax shall be equal to the gross income of the business
29 multiplied by the rate of 0.138 percent through September 30, 2005;
30 multiplied by the rate of 0.1208 percent effective October 1, 2005,
31 through June 30, 2007; and multiplied by the rate of 0.0828 percent
32 effective July 1, 2007.

33 (2) For the purposes of this section:

34 (a) "Prescription drug" has the same meaning as that term is given
35 in RCW 82.08.0281; and

1 (b) "Warehousing and reselling prescription drugs" means the buying
2 of prescription drugs from a manufacturer or another wholesaler, and
3 reselling of the drugs to persons selling at retail or to hospitals,
4 clinics, health care providers, or other providers of health care
5 services, by a wholesaler or retailer who is registered with the
6 federal drug enforcement administration and licensed by the state board
7 of pharmacy.

8 **Sec. 11.** RCW 82.04.280 and 1998 c 343 s 3 are each amended to read
9 as follows:

10 Upon every person engaging within this state in the business of:
11 (1) Printing, and of publishing newspapers, periodicals, or magazines;
12 (2) building, repairing or improving any street, place, road, highway,
13 easement, right of way, mass public transportation terminal or parking
14 facility, bridge, tunnel, or trestle which is owned by a municipal
15 corporation or political subdivision of the state or by the United
16 States and which is used or to be used, primarily for foot or vehicular
17 traffic including mass transportation vehicles of any kind and
18 including any readjustment, reconstruction or relocation of the
19 facilities of any public, private or cooperatively owned utility or
20 railroad in the course of such building, repairing or improving, the
21 cost of which readjustment, reconstruction, or relocation, is the
22 responsibility of the public authority whose street, place, road,
23 highway, easement, right of way, mass public transportation terminal or
24 parking facility, bridge, tunnel, or trestle is being built, repaired
25 or improved; (3) extracting for hire or processing for hire; (4)
26 operating a cold storage warehouse or storage warehouse, but not
27 including the rental of cold storage lockers; (5) representing and
28 performing services for fire or casualty insurance companies as an
29 independent resident managing general agent licensed under the
30 provisions of RCW 48.05.310; (6) radio and television broadcasting,
31 excluding network, national and regional advertising computed as a
32 standard deduction based on the national average thereof as annually
33 reported by the Federal Communications Commission, or in lieu thereof
34 by itemization by the individual broadcasting station, and excluding
35 that portion of revenue represented by the out-of-state audience
36 computed as a ratio to the station's total audience as measured by the

1 100 micro-volt signal strength and delivery by wire, if any; (7)
2 engaging in activities which bring a person within the definition of
3 consumer contained in RCW 82.04.190(6); as to such persons, the amount
4 of tax on such business shall be equal to the gross income of the
5 business multiplied by the rate of 0.484 percent through September 30,
6 2005; multiplied by the rate of 0.4235 percent effective October 1,
7 2005, through June 30, 2007; and multiplied by the rate of 0.2904
8 percent effective July 1, 2007.

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

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

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

28 **Sec. 12.** RCW 82.04.290 and 2001 1st sp.s. c 9 s 6 are each amended
29 to read as follows:

30 (1) Upon every person engaging within this state in the business of
31 providing international investment management services, as to such
32 persons, the amount of tax with respect to such business shall be equal
33 to the gross income or gross proceeds of sales of the business
34 multiplied by a rate of 0.275 percent until October 1, 2005; multiplied
35 by the rate of 0.2406 percent effective October 1, 2005, until July 1,

1 2007; and multiplied by the rate of 0.1650 percent effective July 1,
2 2007.

3 (2) Upon every person engaging within this state in any business
4 activity other than or in addition to those enumerated in RCW
5 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270,
6 82.04.298, 82.04.2905, 82.04.280, 82.04.2907, and 82.04.272, and
7 subsection (1) of this section; as to such persons the amount of tax on
8 account of such activities shall be equal to the gross income of the
9 business multiplied by the rate of 1.5 percent through September 30,
10 2005; multiplied by the rate of 1.3125 percent effective October 1,
11 2005, through June 30, 2007; and multiplied by the rate of 0.9000
12 percent effective July 1, 2007.

13 This section includes, among others, and without limiting the scope
14 hereof (whether or not title to materials used in the performance of
15 such business passes to another by accession, confusion or other than
16 by outright sale), persons engaged in the business of rendering any
17 type of service which does not constitute a "sale at retail" or a "sale
18 at wholesale." The value of advertising, demonstration, and
19 promotional supplies and materials furnished to an agent by his
20 principal or supplier to be used for informational, educational and
21 promotional purposes shall not be considered a part of the agent's
22 remuneration or commission and shall not be subject to taxation under
23 this section.

24 **Sec. 13.** RCW 82.04.2905 and 1998 c 312 s 7 are each amended to
25 read as follows:

26 Upon every person engaging within this state in the business of
27 providing child care for periods of less than twenty-four hours; as to
28 such persons the amount of tax with respect to such business shall be
29 equal to the gross proceeds derived from such sales multiplied by the
30 rate of 0.484 percent through September 30, 2005; multiplied by the
31 rate of 0.4235 percent effective October 1, 2005, through June 30,
32 2007; and multiplied by the rate of 0.2904 percent effective July 1,
33 2007.

34 **Sec. 14.** RCW 82.04.2907 and 2001 c 320 s 3 are each amended to
35 read as follows:

1 Upon every person engaging within this state in the business of
2 receiving income from royalties or charges in the nature of royalties
3 for the granting of intangible rights, such as copyrights, licenses,
4 patents, or franchise fees, the amount of tax with respect to such
5 business shall be equal to the gross income from royalties or charges
6 in the nature of royalties from the business multiplied by the rate of
7 0.484 percent through September 30, 2005; multiplied by the rate of
8 0.4235 percent effective October 1, 2005, through June 30, 2007; and
9 multiplied by the rate of 0.2904 percent effective July 1, 2007.

10 "Royalties" means compensation for the use of intangible property,
11 such as copyrights, patents, licenses, franchises, trademarks, trade
12 names, and similar items. It does not include compensation for any
13 natural resource or licensing of canned software to the end user."

14 Renumber the remaining sections consecutively, correct internal
15 references accordingly, and correct the title.

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16 On page 20, line 14, after "person" strike all material through
17 "or"

18 On page 20, line 23, after "of a" strike all material through "or"

19 On page 20, beginning on line 25, after "a" strike all material
20 through "or" on line 26

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21 On page 21, beginning on line 33, strike all material through

1 "department." on line 37

EFFECT: Provides B&O rate reductions for all B&O taxpayers, not just the aerospace industry.

--- END ---