
HOUSE BILL 2166

State of Washington 58th Legislature 2003 Regular Session

By Representatives Grant, Mastin, Schindler and Mielke

Read first time 02/28/2003. Referred to Committee on Finance.

1 AN ACT Relating to excluding self-service laundry from the
2 definition of retail sale for excise tax purposes; amending RCW
3 82.04.050; creating a new section; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** The intent of this act is to provide relief
6 for low-income families for their laundry costs.

7 **Sec. 2.** RCW 82.04.050 and 2002 c 178 s 1 are each amended to read
8 as follows:

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

16 (a) Purchases for the purpose of resale as tangible personal
17 property in the regular course of business without intervening use by

1 such person, but a purchase for the purpose of resale by a regional
2 transit authority under RCW 81.112.300 is not a sale for resale; or

3 (b) Installs, repairs, cleans, alters, imprints, improves,
4 constructs, or decorates real or personal property of or for consumers,
5 if such tangible personal property becomes an ingredient or component
6 of such real or personal property without intervening use by such
7 person; or

8 (c) Purchases for the purpose of consuming the property purchased
9 in producing for sale a new article of tangible personal property or
10 substance, of which such property becomes an ingredient or component or
11 is a chemical used in processing, when the primary purpose of such
12 chemical is to create a chemical reaction directly through contact with
13 an ingredient of a new article being produced for sale; or

14 (d) Purchases for the purpose of consuming the property purchased
15 in producing ferrosilicon which is subsequently used in producing
16 magnesium for sale, if the primary purpose of such property is to
17 create a chemical reaction directly through contact with an ingredient
18 of ferrosilicon; or

19 (e) Purchases for the purpose of providing the property to
20 consumers as part of competitive telephone service, as defined in RCW
21 82.04.065. The term shall include every sale of tangible personal
22 property which is used or consumed or to be used or consumed in the
23 performance of any activity classified as a "sale at retail" or "retail
24 sale" even though such property is resold or utilized as provided in
25 (a), (b), (c), (d), or (e) of this subsection following such use. The
26 term also means every sale of tangible personal property to persons
27 engaged in any business which is taxable under RCW 82.04.280 (2) and
28 (7) and 82.04.290.

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

32 (a) The installing, repairing, cleaning, altering, imprinting, or
33 improving of tangible personal property of or for consumers, including
34 charges made for the mere use of facilities in respect thereto, but
35 excluding charges made for the use of ~~((coin-operated))~~ self-service
36 laundry facilities ~~((when such facilities are situated in an apartment
37 house, rooming house, or mobile home park for the exclusive use of the~~

1 ~~tenants thereof~~)), and also excluding sales of laundry service to
2 nonprofit health care facilities, and excluding services rendered in
3 respect to live animals, birds and insects;

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

12 (c) The charge for labor and services rendered in respect to
13 constructing, repairing, or improving any structure upon, above, or
14 under any real property owned by an owner who conveys the property by
15 title, possession, or any other means to the person performing such
16 construction, repair, or improvement for the purpose of performing such
17 construction, repair, or improvement and the property is then
18 reconveyed by title, possession, or any other means to the original
19 owner;

20 (d) The sale of or charge made for labor and services rendered in
21 respect to the cleaning, fumigating, razing or moving of existing
22 buildings or structures, but shall not include the charge made for
23 janitorial services; and for purposes of this section the term
24 "janitorial services" shall mean those cleaning and caretaking services
25 ordinarily performed by commercial janitor service businesses
26 including, but not limited to, wall and window washing, floor cleaning
27 and waxing, and the cleaning in place of rugs, drapes and upholstery.
28 The term "janitorial services" does not include painting, papering,
29 repairing, furnace or septic tank cleaning, snow removal or
30 sandblasting;

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

35 (f) The sale of and charge made for the furnishing of lodging and
36 all other services by a hotel, rooming house, tourist court, motel,
37 trailer camp, and the granting of any similar license to use real
38 property, as distinguished from the renting or leasing of real

1 property, and it shall be presumed that the occupancy of real property
2 for a continuous period of one month or more constitutes a rental or
3 lease of real property and not a mere license to use or enjoy the same.
4 For the purposes of this subsection, it shall be presumed that the sale
5 of and charge made for the furnishing of lodging for a continuous
6 period of one month or more to a person is a rental or lease of real
7 property and not a mere license to enjoy the same;

8 (g) The sale of or charge made for tangible personal property,
9 labor and services to persons taxable under (a), (b), (c), (d), (e),
10 and (f) of this subsection when such sales or charges are for property,
11 labor and services which are used or consumed in whole or in part by
12 such persons in the performance of any activity defined as a "sale at
13 retail" or "retail sale" even though such property, labor and services
14 may be resold after such use or consumption. Nothing contained in this
15 subsection shall be construed to modify subsection (1) of this section
16 and nothing contained in subsection (1) of this section shall be
17 construed to modify this subsection.

18 (3) The term "sale at retail" or "retail sale" shall include the
19 sale of or charge made for personal, business, or professional services
20 including amounts designated as interest, rents, fees, admission, and
21 other service emoluments however designated, received by persons
22 engaging in the following business activities:

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

26 (b) Abstract, title insurance, and escrow services;

27 (c) Credit bureau services;

28 (d) Automobile parking and storage garage services;

29 (e) Landscape maintenance and horticultural services but excluding
30 (i) horticultural services provided to farmers and (ii) pruning,
31 trimming, repairing, removing, and clearing of trees and brush near
32 electric transmission or distribution lines or equipment, if performed
33 by or at the direction of an electric utility;

34 (f) Service charges associated with tickets to professional
35 sporting events; and

36 (g) The following personal services: Physical fitness services,
37 tanning salon services, tattoo parlor services, steam bath services,
38 turkish bath services, escort services, and dating services.

1 (4) The term shall also include the renting or leasing of tangible
2 personal property to consumers and the rental of equipment with an
3 operator.

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

6 (6) The term shall also include the sale of canned software other
7 than a sale to a person who presents a resale certificate under RCW
8 82.04.470, regardless of the method of delivery to the end user, but
9 shall not include custom software or the customization of canned
10 software.

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

19 (8) The term shall also not include sales of chemical sprays or
20 washes to persons for the purpose of postharvest treatment of fruit for
21 the prevention of scald, fungus, mold, or decay, nor shall it include
22 sales of feed, seed, seedlings, fertilizer, agents for enhanced
23 pollination including insects such as bees, and spray materials to:
24 (a) Persons who participate in the federal conservation reserve
25 program, the environmental quality incentives program, the wetlands
26 reserve program, and the wildlife habitat incentives program, or their
27 successors administered by the United States department of agriculture;
28 (b) farmers for the purpose of producing for sale any agricultural
29 product; and (c) farmers acting under cooperative habitat development
30 or access contracts with an organization exempt from federal income tax
31 under 26 U.S.C. Sec. 501(c)(3) or the Washington state department of
32 fish and wildlife to produce or improve wildlife habitat on land that
33 the farmer owns or leases.

34 (9) The term shall not include the sale of or charge made for labor
35 and services rendered in respect to the constructing, repairing,
36 decorating, or improving of new or existing buildings or other
37 structures under, upon, or above real property of or for the United
38 States, any instrumentality thereof, or a county or city housing

1 authority created pursuant to chapter 35.82 RCW, including the
2 installing, or attaching of any article of tangible personal property
3 therein or thereto, whether or not such personal property becomes a
4 part of the realty by virtue of installation. Nor shall the term
5 include the sale of services or charges made for the clearing of land
6 and the moving of earth of or for the United States, any
7 instrumentality thereof, or a county or city housing authority. Nor
8 shall the term include the sale of services or charges made for
9 cleaning up for the United States, or its instrumentalities,
10 radioactive waste and other byproducts of weapons production and
11 nuclear research and development.

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

15 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2003.

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