
HOUSE BILL 2722

State of Washington 58th Legislature 2004 Regular Session

By Representatives Grant and Mastin

Read first time 01/20/2004. Referred to Committee on Finance.

1 AN ACT Relating to the excise taxation of self-service laundry
2 facilities; amending RCW 82.04.050; adding a new section to chapter
3 82.08 RCW; and providing an effective date.

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

5 **Sec. 1.** RCW 82.04.050 and 2003 c 168 s 104 are each amended to
6 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,

1 if such tangible personal property becomes an ingredient or component
2 of such real or personal property without intervening use by such
3 person; or

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

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

15 (e) Purchases for the purpose of providing the property to
16 consumers as part of competitive telephone service, as defined in RCW
17 82.04.065. The term shall include every sale of tangible personal
18 property which is used or consumed or to be used or consumed in the
19 performance of any activity classified as a "sale at retail" or "retail
20 sale" even though such property is resold or utilized as provided in
21 (a), (b), (c), (d), or (e) of this subsection following such use. The
22 term also means every sale of tangible personal property to persons
23 engaged in any business which is taxable under RCW 82.04.280 (2) and
24 (7) and 82.04.290.

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

28 (a) The installing, repairing, cleaning, altering, imprinting, or
29 improving of tangible personal property of or for consumers, including
30 charges made for the mere use of facilities in respect thereto, but
31 excluding ~~((charges made for the use of coin-operated laundry
32 facilities when such facilities are situated in an apartment house,
33 rooming house, or mobile home park for the exclusive use of the tenants
34 thereof, and also excluding))~~ sales of laundry service to nonprofit
35 health care facilities, and excluding services rendered in respect to
36 live animals, birds and insects, and excluding charges made for the use
37 of self-service laundry facilities when the facilities are situated in

1 an apartment house, rooming house, or mobile home park for the
2 exclusive use of the tenants only if section 2 of this act is not in
3 effect;

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)(a) The term shall also include:

2 (i) The renting or leasing of tangible personal property to
3 consumers; and

4 (ii) Providing tangible personal property along with an operator
5 for a fixed or indeterminate period of time. A consideration of this
6 is that the operator is necessary for the equipment to perform as
7 designed. For the purpose of this subsection (4)(a)(ii), an operator
8 must do more than maintain, inspect, or set up the tangible personal
9 property.

10 (b) The term shall not include the renting or leasing of tangible
11 personal property where the lease or rental is for the purpose of
12 sublease or subrent.

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

15 (6) The term shall also include the sale of prewritten computer
16 software other than a sale to a person who presents a resale
17 certificate under RCW 82.04.470, regardless of the method of delivery
18 to the end user, but shall not include custom software or the
19 customization of prewritten computer software.

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

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

33 (a) Persons who participate in the federal conservation reserve
34 program, the environmental quality incentives program, the wetlands
35 reserve program, and the wildlife habitat incentives program, or their
36 successors administered by the United States department of agriculture;

37 (b) farmers for the purpose of producing for sale any agricultural
38 product; and (c) farmers acting under cooperative habitat development

1 or access contracts with an organization exempt from federal income tax
2 under 26 U.S.C. Sec. 501(c)(3) or the Washington state department of
3 fish and wildlife to produce or improve wildlife habitat on land that
4 the farmer owns or leases.

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

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

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

26 For charges made for the use of self-service laundry facilities,
27 the selling price for purposes of RCW 82.08.020 is fifty percent of the
28 gross receipts.

29 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2004.

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