

1879-S

Sponsor(s): House Committee on Finance (originally sponsored by Representatives Gombosky and Cairnes)

Brief Description: Coordinating the state collection and administration of sales and use taxes imposed by tribal municipalities. Revised for 1st Substitute: Simplifying the concurrent taxing jurisdictions of the tribal municipalities and the state.

HB 1879-S.E - DIGEST

(AS OF HOUSE 2ND READING 2/11/04)

Recognizes that state and tribal jurisdiction to tax the same transaction results in confusion regarding the imposition and collection of tax.

Declares an intent to allow tribal municipalities to contract with the department of revenue for the distribution of tax in the same manner as other cities and towns within the state of Washington.

Declares an intent that the tribal municipal tax be treated the same as a tax imposed by a city or town tax insofar as calculating the percentage of tax to be shared between the county and the city or town.

Declares that, as a pilot project, the department may enter into an interlocal cooperation agreement pursuant to chapter 39.34 RCW with any Indian tribe that has a city, as that term is used in this act, to administer and collect tax under the provisions of RCW 82.14.050 to be levied on activities occurring on federal Indian trust or restricted fee lands within the boundaries of the city as the boundaries are defined by the charter of the city. Any such agreement is subject to the following provisions: (1) The tribal sales and use tax definitions must be uniform with the state and local sales and use tax definitions under chapters 82.08 and 82.12 RCW and this act.

(2) The tribal tax rate must be no greater than that allowed cities under RCW 82.14.030.

(3) The tribe must agree to provide the county with a percentage of its revenue, in accordance with the provisions of RCW 82.14.030; this percentage subject to distribution by the department.

Requires the department to report to the legislature by December 1, 2005, regarding the agreement. The report shall contain information on the fiscal impact of the agreement, administrative issues encountered during implementation, any legal issues that need to be addressed in state law, and any other matter significant to the agreement. The report shall contain a recommendation on the feasibility of extending this pilot project.