

SB 6826 - H COMM AMD  
By Committee on Finance

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 82.16.050 and 2004 c 153 s 308 are each amended to  
4 read as follows:

5 In computing tax there may be deducted from the gross income the  
6 following items:

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

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

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

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

25 (5) The amount of bad debts, as that term is used in 26 U.S.C. Sec.  
26 166, as amended or renumbered as of January 1, 2003, on which tax was  
27 previously paid under this chapter;

28 (6) Amounts derived from business which the state is prohibited  
29 from taxing under the Constitution of this state or the Constitution or  
30 laws of the United States;

1 (7) Amounts derived from the distribution of water through an  
2 irrigation system, for irrigation purposes;

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

20 (9) Amounts derived from the production, sale, or transfer of  
21 electrical energy for resale within or outside the state or for  
22 consumption outside the state;

23 (10) Amounts derived from the distribution of water by a nonprofit  
24 water association and used for capital improvements by that nonprofit  
25 water association;

26 (11) Amounts paid by a sewerage collection business taxable under  
27 RCW 82.16.020(1)(a) to a person taxable under chapter 82.04 RCW for the  
28 treatment or disposal of sewage;

29 (12) Amounts derived from fees or charges imposed on persons for  
30 transit services provided by a public transportation agency. For the  
31 purposes of this subsection, "public transportation agency" means a  
32 municipality, as defined in RCW 35.58.272, and urban public  
33 transportation systems, as defined in RCW 47.04.082. Public  
34 transportation agencies shall spend an amount equal to the reduction in  
35 tax provided by this tax deduction solely to adjust routes to improve  
36 access for citizens using food banks and senior citizen services or to  
37 extend or add new routes to assist low-income citizens and seniors."

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