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**SUBSTITUTE HOUSE BILL 1299**

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**State of Washington                      59th Legislature                      2005 Regular Session**

**By** House Committee on Finance (originally sponsored by Representatives McIntire, Simpson, Morrell, McCoy, Roberts, Moeller, Wood and Chase)

READ FIRST TIME 02/08/05.

1            AN ACT Relating to repealing outdated and unused tax preferences;  
2 amending RCW 15.76.165, 43.52.460, 82.08.0255, and 82.12.0256;  
3 reenacting and amending RCW 82.04.050 and 82.04.260; creating a new  
4 section; repealing RCW 82.35.010, 82.35.020, 82.35.040, 82.35.050,  
5 82.35.070, 82.35.080, 82.35.900, 82.61.010, 82.61.030, 82.61.050,  
6 82.61.060, 82.61.080, 82.61.090, 82.61.900, 82.61.901, 48.14.029,  
7 82.04.4329, 82.08.0276, 82.08.0295, 82.12.0295, 82.12.02545, and  
8 84.56.450; and providing an effective date.

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

10            NEW SECTION. **Sec. 1.** The legislature finds that a number of tax  
11 exemptions, deductions, credits, and other preferences have outlived  
12 their usefulness. State records show no taxpayers have claimed relief  
13 under these tax preferences in recent years. The intent of this act is  
14 to update and simplify the tax statutes by repealing these outdated tax  
15 preferences.

16            **Sec. 2.** RCW 15.76.165 and 1973 c 117 s 1 are each amended to read  
17 as follows:

18            Any county which owns or leases property from another governmental

1 agency and provides such property for area or county and district  
2 agricultural fair purposes may apply to the director for special  
3 assistance in carrying out necessary capital improvements to such  
4 property and maintenance of the appurtenances thereto(~~(, and in the~~  
5 ~~event such property and capital improvements are leased to any~~  
6 ~~organization conducting an agricultural fair pursuant to chapter 15.76~~  
7 ~~RCW and chapter 257 of the Laws of 1955, such leasehold and such leased~~  
8 ~~property shall be exempt from real and personal property taxation)).~~

9       **Sec. 3.** RCW 43.52.460 and 1971 ex.s. c 75 s 1 are each amended to  
10 read as follows:

11       Any joint operating agency formed under this chapter shall pay in  
12 lieu of taxes payments in the same amounts as paid by public utility  
13 districts. Such payments shall be distributed in accordance with the  
14 provisions applicable to public utility districts(~~(:—PROVIDED,~~  
15 ~~HOWEVER, That such tax shall not apply to steam generated electricity~~  
16 ~~produced by a nuclear steam powered electric generating facility~~  
17 ~~constructed or acquired by a joint operating agency and in operation~~  
18 ~~prior to May 17, 1971)).~~

19       **Sec. 4.** RCW 82.04.050 and 2004 c 174 s 3 and 2004 c 153 s 407 are  
20 each reenacted and amended to read as follows:

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

28       (a) Purchases for the purpose of resale as tangible personal  
29 property in the regular course of business without intervening use by  
30 such person, but a purchase for the purpose of resale by a regional  
31 transit authority under RCW 81.112.300 is not a sale for resale; or

32       (b) Installs, repairs, cleans, alters, imprints, improves,  
33 constructs, or decorates real or personal property of or for consumers,  
34 if such tangible personal property becomes an ingredient or component  
35 of such real or personal property without intervening use by such  
36 person; or

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

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

12 (e)) Purchases for the purpose of providing the property to  
13 consumers as part of competitive telephone service, as defined in RCW  
14 82.04.065. The term shall include every sale of tangible personal  
15 property which is used or consumed or to be used or consumed in the  
16 performance of any activity classified as a "sale at retail" or "retail  
17 sale" even though such property is resold or utilized as provided in  
18 (a), (b), (c), or (d)((~~, or (e)~~)) of this subsection following such  
19 use. The term also means every sale of tangible personal property to  
20 persons engaged in any business which is taxable under RCW 82.04.280  
21 (2) and (7), 82.04.290, and 82.04.2908.

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

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

34 (b) The constructing, repairing, decorating, or improving of new or  
35 existing buildings or other structures under, upon, or above real  
36 property of or for consumers, including the installing or attaching of  
37 any article of tangible personal property therein or thereto, whether  
38 or not such personal property becomes a part of the realty by virtue of

1 installation, and shall also include the sale of services or charges  
2 made for the clearing of land and the moving of earth excepting the  
3 mere leveling of land used in commercial farming or agriculture;

4 (c) The charge for labor and services rendered in respect to  
5 constructing, repairing, or improving any structure upon, above, or  
6 under any real property owned by an owner who conveys the property by  
7 title, possession, or any other means to the person performing such  
8 construction, repair, or improvement for the purpose of performing such  
9 construction, repair, or improvement and the property is then  
10 reconveyed by title, possession, or any other means to the original  
11 owner;

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

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

27 (f) The sale of and charge made for the furnishing of lodging and  
28 all other services by a hotel, rooming house, tourist court, motel,  
29 trailer camp, and the granting of any similar license to use real  
30 property, as distinguished from the renting or leasing of real  
31 property, and it shall be presumed that the occupancy of real property  
32 for a continuous period of one month or more constitutes a rental or  
33 lease of real property and not a mere license to use or enjoy the same.  
34 For the purposes of this subsection, it shall be presumed that the sale  
35 of and charge made for the furnishing of lodging for a continuous  
36 period of one month or more to a person is a rental or lease of real  
37 property and not a mere license to enjoy the same;

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

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

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

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

20 (c) Credit bureau services;

21 (d) Automobile parking and storage garage services;

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

27 (f) Service charges associated with tickets to professional  
28 sporting events; and

29 (g) The following personal services: Physical fitness services,  
30 tanning salon services, tattoo parlor services, steam bath services,  
31 turkish bath services, escort services, and dating services.

32 (4)(a) The term shall also include:

33 (i) The renting or leasing of tangible personal property to  
34 consumers; and

35 (ii) Providing tangible personal property along with an operator  
36 for a fixed or indeterminate period of time. A consideration of this  
37 is that the operator is necessary for the tangible personal property to

1 perform as designed. For the purpose of this subsection (4)(a)(ii), an  
2 operator must do more than maintain, inspect, or set up the tangible  
3 personal property.

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

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

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

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

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

27 (a) Persons who participate in the federal conservation reserve  
28 program, the environmental quality incentives program, the wetlands  
29 reserve program, and the wildlife habitat incentives program, or their  
30 successors administered by the United States department of agriculture;

31 (b) farmers for the purpose of producing for sale any agricultural  
32 product; and (c) farmers acting under cooperative habitat development  
33 or access contracts with an organization exempt from federal income tax  
34 under 26 U.S.C. Sec. 501(c)(3) or the Washington state department of  
35 fish and wildlife to produce or improve wildlife habitat on land that  
36 the farmer owns or leases.

37 (9) The term shall not include the sale of or charge made for labor  
38 and services rendered in respect to the constructing, repairing,

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

15 **Sec. 5.** RCW 82.04.260 and 2003 2nd sp.s. c 1 s 4 and 2003 2nd  
16 sp.s. c 1 s 3 are each reenacted and amended to read as follows:

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

19 (a) Wheat into flour, barley into pearl barley, soybeans into  
20 soybean oil, canola into canola oil, canola meal, or canola byproducts,  
21 or sunflower seeds into sunflower oil; as to such persons the amount of  
22 tax with respect to such business shall be equal to the value of the  
23 flour, pearl barley, oil, canola meal, or canola byproduct  
24 manufactured, multiplied by the rate of 0.138 percent;

25 (b) Seafood products which remain in a raw, raw frozen, or raw  
26 salted state at the completion of the manufacturing by that person; as  
27 to such persons the amount of tax with respect to such business shall  
28 be equal to the value of the products manufactured, multiplied by the  
29 rate of 0.138 percent;

30 (c) By canning, preserving, freezing, processing, or dehydrating  
31 fresh fruits and vegetables, or selling at wholesale fresh fruits and  
32 vegetables canned, preserved, frozen, processed, or dehydrated by the  
33 seller and sold to purchasers who transport in the ordinary course of  
34 business the goods out of this state; as to such persons the amount of  
35 tax with respect to such business shall be equal to the value of the  
36 products canned, preserved, frozen, processed, or dehydrated multiplied  
37 by the rate of 0.138 percent. As proof of sale to a person who

1 transports in the ordinary course of business goods out of this state,  
2 the seller shall annually provide a statement in a form prescribed by  
3 the department and retain the statement as a business record;

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

14 (e) Alcohol fuel, biodiesel fuel, or biodiesel feedstock, as those  
15 terms are defined in RCW 82.29A.135; as to such persons the amount of  
16 tax with respect to the business shall be equal to the value of alcohol  
17 fuel, biodiesel fuel, or biodiesel feedstock manufactured, multiplied  
18 by the rate of 0.138 percent. This subsection (1)(e) expires July 1,  
19 2009; and

20 (f) Alcohol fuel or wood biomass fuel, as those terms are defined  
21 in RCW 82.29A.135; as to such persons the amount of tax with respect to  
22 the business shall be equal to the value of alcohol fuel or wood  
23 biomass fuel manufactured, multiplied by the rate of 0.138 percent.

24 (2) Upon every person engaging within this state in the business of  
25 splitting or processing dried peas; as to such persons the amount of  
26 tax with respect to such business shall be equal to the value of the  
27 peas split or processed, multiplied by the rate of 0.138 percent.

28 (3) Upon every nonprofit corporation and nonprofit association  
29 engaging within this state in research and development, as to such  
30 corporations and associations, the amount of tax with respect to such  
31 activities shall be equal to the gross income derived from such  
32 activities multiplied by the rate of 0.484 percent.

33 (4) Upon every person engaging within this state in the business of  
34 slaughtering, breaking and/or processing perishable meat products  
35 and/or selling the same at wholesale only and not at retail; as to such  
36 persons the tax imposed shall be equal to the gross proceeds derived  
37 from such sales multiplied by the rate of 0.138 percent.

1           ~~(5) ((Upon every person engaging within this state in the business~~  
2 ~~of making sales, at retail or wholesale, of nuclear fuel assemblies~~  
3 ~~manufactured by that person, as to such persons the amount of tax with~~  
4 ~~respect to such business shall be equal to the gross proceeds of sales~~  
5 ~~of the assemblies multiplied by the rate of 0.275 percent.~~

6           ~~(6) Upon every person engaging within this state in the business of~~  
7 ~~manufacturing nuclear fuel assemblies, as to such persons the amount of~~  
8 ~~tax with respect to such business shall be equal to the value of the~~  
9 ~~products manufactured multiplied by the rate of 0.275 percent.~~

10          ~~(7))~~ Upon every person engaging within this state in the business  
11 of acting as a travel agent or tour operator; as to such persons the  
12 amount of the tax with respect to such activities shall be equal to the  
13 gross income derived from such activities multiplied by the rate of  
14 0.275 percent.

15          ~~((+8))~~ (6) Upon every person engaging within this state in  
16 business as an international steamship agent, international customs  
17 house broker, international freight forwarder, vessel and/or cargo  
18 charter broker in foreign commerce, and/or international air cargo  
19 agent; as to such persons the amount of the tax with respect to only  
20 international activities shall be equal to the gross income derived  
21 from such activities multiplied by the rate of 0.275 percent.

22          ~~((+9))~~ (7) Upon every person engaging within this state in the  
23 business of stevedoring and associated activities pertinent to the  
24 movement of goods and commodities in waterborne interstate or foreign  
25 commerce; as to such persons the amount of tax with respect to such  
26 business shall be equal to the gross proceeds derived from such  
27 activities multiplied by the rate of 0.275 percent. Persons subject to  
28 taxation under this subsection shall be exempt from payment of taxes  
29 imposed by chapter 82.16 RCW for that portion of their business subject  
30 to taxation under this subsection. Stevedoring and associated  
31 activities pertinent to the conduct of goods and commodities in  
32 waterborne interstate or foreign commerce are defined as all activities  
33 of a labor, service or transportation nature whereby cargo may be  
34 loaded or unloaded to or from vessels or barges, passing over, onto or  
35 under a wharf, pier, or similar structure; cargo may be moved to a  
36 warehouse or similar holding or storage yard or area to await further  
37 movement in import or export or may move to a consolidation freight  
38 station and be stuffed, unstuffed, containerized, separated or

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

13 ~~((+10))~~ (8) Upon every person engaging within this state in the  
14 business of disposing of low-level waste, as defined in RCW 43.145.010;  
15 as to such persons the amount of the tax with respect to such business  
16 shall be equal to the gross income of the business, excluding any fees  
17 imposed under chapter 43.200 RCW, multiplied by the rate of 3.3  
18 percent.

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

23 ~~((+11))~~ (9) Upon every person engaging within this state as an  
24 insurance agent, insurance broker, or insurance solicitor licensed  
25 under chapter 48.17 RCW; as to such persons, the amount of the tax with  
26 respect to such licensed activities shall be equal to the gross income  
27 of such business multiplied by the rate of 0.484 percent.

28 ~~((+12))~~ (10) Upon every person engaging within this state in  
29 business as a hospital, as defined in chapter 70.41 RCW, that is  
30 operated as a nonprofit corporation or by the state or any of its  
31 political subdivisions, as to such persons, the amount of tax with  
32 respect to such activities shall be equal to the gross income of the  
33 business multiplied by the rate of 0.75 percent through June 30, 1995,  
34 and 1.5 percent thereafter. The moneys collected under this subsection  
35 shall be deposited in the health services account created under RCW  
36 43.72.900.

37 ~~((+13))~~ (11)(a) Beginning October 1, 2005, upon every person  
38 engaging within this state in the business of manufacturing commercial

1 airplanes, or components of such airplanes, as to such persons the  
2 amount of tax with respect to such business shall, in the case of  
3 manufacturers, be equal to the value of the product manufactured, or in  
4 the case of processors for hire, be equal to the gross income of the  
5 business, multiplied by the rate of:

6 (i) 0.4235 percent from October 1, 2005, through the later of June  
7 30, 2007, or the day preceding the date final assembly of a  
8 superefficient airplane begins in Washington state, as determined under  
9 RCW 82.32.550; and

10 (ii) 0.2904 percent beginning on the later of July 1, 2007, or the  
11 date final assembly of a superefficient airplane begins in Washington  
12 state, as determined under RCW 82.32.550.

13 (b) Beginning October 1, 2005, upon every person engaging within  
14 this state in the business of making sales, at retail or wholesale, of  
15 commercial airplanes, or components of such airplanes, manufactured by  
16 that person, as to such persons the amount of tax with respect to such  
17 business shall be equal to the gross proceeds of sales of the airplanes  
18 or components multiplied by the rate of:

19 (i) 0.4235 percent from October 1, 2005, through the later of June  
20 30, 2007, or the day preceding the date final assembly of a  
21 superefficient airplane begins in Washington state, as determined under  
22 RCW 82.32.550; and

23 (ii) 0.2904 percent beginning on the later of July 1, 2007, or the  
24 date final assembly of a superefficient airplane begins in Washington  
25 state, as determined under RCW 82.32.550.

26 (c) For the purposes of this subsection (~~((+13+))~~) (11), "commercial  
27 airplane," "component," and "final assembly of a superefficient  
28 airplane" have the meanings given in RCW 82.32.550.

29 (d) In addition to all other requirements under this title, a  
30 person eligible for the tax rate under this subsection (~~((+13+))~~) (11)  
31 must report as required under RCW 82.32.545.

32 (e) This subsection (~~((+13+))~~) (11) does not apply after the earlier  
33 of: July 1, 2024; or December 31, 2007, if assembly of a  
34 superefficient airplane does not begin by December 31, 2007, as  
35 determined under RCW 82.32.550.

36 **Sec. 6.** RCW 82.08.0255 and 1998 c 176 s 4 are each amended to read  
37 as follows:

1 (1) The tax levied by RCW 82.08.020 shall not apply to sales of(  
2 ~~(a) Motor vehicle fuel used in aircraft by the manufacturer thereof~~  
3 ~~for research, development, and testing purposes; and~~

4 ~~(b))~~) motor vehicle and special fuel if:

5 ~~((i))~~) (a) The fuel is purchased for the purpose of public  
6 transportation and the purchaser is entitled to a refund or an  
7 exemption under RCW 82.36.275 or 82.38.080(3); or

8 ~~((ii))~~) (b) The fuel is purchased by a private, nonprofit  
9 transportation provider certified under chapter 81.66 RCW and the  
10 purchaser is entitled to a refund or an exemption under RCW 82.36.285  
11 or 82.38.080(1)(h); or

12 ~~((iii))~~) (c) The fuel is taxable under chapter 82.36 or 82.38 RCW.

13 (2) Any person who has paid the tax imposed by RCW 82.08.020 on the  
14 sale of special fuel delivered in this state shall be entitled to a  
15 credit or refund of such tax with respect to fuel subsequently  
16 established to have been actually transported and used outside this  
17 state by persons engaged in interstate commerce. The tax shall be  
18 claimed as a credit or refunded through the tax reports required under  
19 RCW 82.38.150.

20 **Sec. 7.** RCW 82.12.0256 and 1998 c 176 s 5 are each amended to read  
21 as follows:

22 The provisions of this chapter shall not apply in respect to the  
23 use of:

24 ~~(1) ((Motor vehicle fuel used in aircraft by the manufacturer~~  
25 ~~thereof for research, development, and testing purposes; and~~

26 ~~(2))~~) Special fuel purchased in this state upon which a refund is  
27 obtained as provided in RCW 82.38.180(2); and

28 ~~((3))~~) (2) Motor vehicle and special fuel if:

29 (a) The fuel is used for the purpose of public transportation and  
30 the purchaser is entitled to a refund or an exemption under RCW  
31 82.36.275 or 82.38.080(3); or

32 (b) The fuel is purchased by a private, nonprofit transportation  
33 provider certified under chapter 81.66 RCW and the purchaser is  
34 entitled to a refund or an exemption under RCW 82.36.285 or  
35 82.38.080(1)(h); or

36 (c) The fuel is taxable under chapter 82.36 or 82.38 RCW:  
37 PROVIDED, That the use of motor vehicle and special fuel upon which a

1 refund of the applicable fuel tax is obtained shall not be exempt under  
2 this subsection (~~(+3+)~~) (2)(c), and the director of licensing shall  
3 deduct from the amount of such tax to be refunded the amount of tax due  
4 under this chapter and remit the same each month to the department of  
5 revenue.

6 NEW SECTION. **Sec. 8.** The following acts or parts of acts are each  
7 repealed:

8 (1) RCW 82.35.010 (Intent) and 1979 ex.s. c 191 s 1;

9 (2) RCW 82.35.020 (Definitions) and 1996 c 186 s 521 & 1979 ex.s.  
10 c 191 s 2;

11 (3) RCW 82.35.040 (Issuance of certificate--Limitations--Tabulation  
12 of costs incurred--Administrative rules) and 1982 1st ex.s. c 2 s 3 &  
13 1979 ex.s. c 191 s 4;

14 (4) RCW 82.35.050 (Credit against taxes--Conditions--Amount--  
15 Limitations) and 1982 1st ex.s. c 2 s 1 & 1979 ex.s. c 191 s 5;

16 (5) RCW 82.35.070 (Issuance of certificate or supplement and notice  
17 of refusal to issue certificate or supplement--Certified mail) and 1979  
18 ex.s. c 191 s 7;

19 (6) RCW 82.35.080 (Revocation of certificate--Grounds--Continuance  
20 of certificate--Liability for money saved--Technical assistance) and  
21 1999 c 358 s 15, 1996 c 186 s 522, & 1979 ex.s. c 191 s 8;

22 (7) RCW 82.35.900 (Severability--1979 ex.s. c 191) and 1979 ex.s.  
23 c 191 s 13;

24 (8) RCW 82.61.010 (Definitions) and 1995 1st sp.s. c 3 s 10, 1994  
25 c 125 s 1, 1988 c 41 s 1, 1987 c 497 s 1, 1986 c 116 s 9, & 1985 ex.s.  
26 c 2 s 1;

27 (9) RCW 82.61.030 (Tax deferral--Eligibility) and 1987 c 497 s 3 &  
28 1985 ex.s. c 2 s 3;

29 (10) RCW 82.61.050 (Issuance of tax deferral certificate) and 1985  
30 ex.s. c 2 s 4;

31 (11) RCW 82.61.060 (Repayment schedule) and 1987 c 497 s 4 & 1985  
32 ex.s. c 2 s 5;

33 (12) RCW 82.61.080 (Applicability of general administrative  
34 provisions) and 1985 ex.s. c 2 s 7;

35 (13) RCW 82.61.090 (Applications and information subject to  
36 disclosure) and 1987 c 49 s 2;

37 (14) RCW 82.61.900 (Severability--1987 c 497) and 1987 c 497 s 5;

- 1 (15) RCW 82.61.901 (Severability--1988 c 41) and 1988 c 41 s 6;  
2 (16) RCW 48.14.029 (Premium tax credit--New employment for  
3 international service activities in eligible areas--Designation of  
4 census tracts for eligibility--Records--Tax due upon ineligibility--  
5 Interest assessment--Information from employment security department)  
6 and 2003 c 248 s 3 & 1998 c 313 s 3;  
7 (17) RCW 82.04.4329 (Deductions--Health insurance pool members--  
8 Deficit assessments) and 1987 c 431 s 24;  
9 (18) RCW 82.08.0276 (Exemptions--Sales of wearing apparel for use  
10 only as a sample for display for sale) and 1980 c 37 s 42;  
11 (19) RCW 82.08.0295 (Exemptions--Lease amounts and repurchase  
12 amount for certain property under sale/leaseback agreement) and 1986 c  
13 231 s 3;  
14 (20) RCW 82.12.0295 (Exemptions--Lease amounts and repurchase  
15 amount for certain property under sale/leaseback agreement) and 1986 c  
16 231 s 4;  
17 (21) RCW 82.12.02545 (Exemption--Use of naval aircraft training  
18 equipment transferred due to base closure) and 1995 c 128 s 1; and  
19 (22) RCW 84.56.450 (Year 2000 failure--No interest or penalties--  
20 Payment of tax) and 1999 c 369 s 6.

21 NEW SECTION. **Sec. 9.** This act takes effect July 1, 2006.

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