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HOUSE BILL 2106

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State of Washington                      59th Legislature                      2005 Regular Session

By Representatives Pettigrew, McIntire, Ahern, Wood and Santos

Read first time 02/17/2005. Referred to Committee on Finance.

1            AN ACT Relating to the taxation of contracts to administer parking  
2 and business improvement areas; amending RCW 35.87A.110; adding a new  
3 section to chapter 82.04 RCW; adding a new section to chapter 35.21  
4 RCW; and creating a new section.

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

6            NEW SECTION.    **Sec. 1.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8            This chapter does not apply to amounts received by a chamber of  
9 commerce or other similar business association for administering the  
10 operation of a parking and business improvement area as defined in RCW  
11 35.87A.110.

12           NEW SECTION.    **Sec. 2.** A new section is added to chapter 35.21 RCW  
13 to read as follows:

14           (1) A city shall not impose a gross receipts tax on amounts  
15 received by a chamber of commerce or other similar business association  
16 for administering the operation of a parking and business improvement  
17 area within the meaning of RCW 35.87A.110.

1 (2) For the purposes of this section, the following definitions  
2 apply:

3 (a) "Gross receipts tax" means a tax measured by gross proceeds of  
4 sales, gross income of the business, or value proceeding or accruing.

5 (b) "City" includes cities, code cities, and towns.

6 **Sec. 3.** RCW 35.87A.110 and 1971 ex.s. c 45 s 11 are each amended  
7 to read as follows:

8 (1) The legislative authority of each city or town or county shall  
9 have sole discretion as to how the revenue derived from the special  
10 assessments is to be used within the scope of the purposes; however,  
11 the legislative authority may appoint existing advisory boards or  
12 commissions to make recommendations as to its use, or the legislative  
13 authority may create a new advisory board or commission for the  
14 purpose.

15 (2) The legislative authority may contract with a chamber of  
16 commerce or other similar business association operating primarily  
17 within the boundaries of the legislative authority to administer the  
18 operation of a parking and business improvement area, including any  
19 funds derived pursuant thereto: PROVIDED, That such administration  
20 must comply with all applicable provisions of law including this  
21 chapter, with all county, city, or town resolutions and ordinances, and  
22 with all regulations lawfully imposed by the state auditor or other  
23 state agencies.

24 (3) Amounts paid by the legislative authority of a city, town, or  
25 county to a chamber of commerce or other similar business association  
26 operating primarily within the boundaries of the city, town, or county  
27 pursuant to a contract to operate a parking and business improvement  
28 area are not subject to taxation under chapter 82.04, 82.08, or 82.12  
29 RCW, or city gross receipts taxes, as defined in RCW 35.21.855.

30 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act apply  
31 retroactively to December 31, 1999.

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