
HOUSE BILL 2114

State of Washington 59th Legislature 2005 Regular Session

By Representatives Wallace and Dunn

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

1 AN ACT Relating to limiting the tax exemption for sales to
2 nonresidents; amending RCW 82.08.0273; and providing an effective date.

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

4 **Sec. 1.** RCW 82.08.0273 and 2003 c 53 s 399 are each amended to
5 read as follows:

6 (1) The tax levied by RCW 82.08.020 shall not apply to sales to
7 nonresidents of this state of tangible personal property for use
8 outside this state when the sale is fifty dollars or more and the
9 purchaser (a) is a bona fide resident of a state or possession or
10 Province of Canada other than the state of Washington and such state,
11 possession, or Province of Canada does not impose a retail sales tax or
12 use tax of three percent or more or, if imposing such a tax, permits
13 Washington residents exemption from otherwise taxable sales by reason
14 of their residence, and (b) agrees, when requested, to grant the
15 department of revenue access to such records and other forms of
16 verification at his or her place of residence to assure that such
17 purchases are not first used substantially in the state of Washington.

18 (2)(a) Any person claiming exemption from retail sales tax under

1 the provisions of this section must display proof of his or her current
2 nonresident status as herein provided.

3 (b) Acceptable proof of a nonresident person's status shall include
4 one piece of identification such as a valid driver's license from the
5 jurisdiction in which the out-of-state residency is claimed or a valid
6 identification card which has a photograph of the holder and is issued
7 by the out-of-state jurisdiction. Identification under this subsection
8 (2)(b) must show the holder's residential address and have as one of
9 its legal purposes the establishment of residency in that out-of-state
10 jurisdiction.

11 (3) Nothing in this section requires the vendor to make tax exempt
12 retail sales to nonresidents. A vendor may choose to make sales to
13 nonresidents, collect the sales tax, and remit the amount of sales tax
14 collected to the state as otherwise provided by law. If the vendor
15 chooses to make a sale to a nonresident without collecting the sales
16 tax, the vendor shall, in good faith, examine the proof of
17 nonresidence, determine whether the proof is acceptable under
18 subsection (2)(b) of this section, and maintain records for each
19 nontaxable sale which shall show the type of proof accepted, including
20 any identification numbers where appropriate, and the expiration date,
21 if any.

22 (4)(a) Any person making fraudulent statements, which includes the
23 offer of fraudulent identification or fraudulently procured
24 identification to a vendor, in order to purchase goods without paying
25 retail sales tax is guilty of perjury under chapter 9A.72 RCW.

26 (b) Any person making tax exempt purchases under this section by
27 displaying proof of identification not his or her own, or counterfeit
28 identification, with intent to violate the provisions of this section,
29 is guilty of a misdemeanor and, in addition, shall be liable for the
30 tax and subject to a penalty equal to the greater of one hundred
31 dollars or the tax due on such purchases.

32 (5)(a) Any vendor who makes sales without collecting the tax to a
33 person who does not hold valid identification establishing out-of-state
34 residency, and any vendor who fails to maintain records of sales to
35 nonresidents as provided in this section, shall be personally liable
36 for the amount of tax due.

37 (b) Any vendor who makes sales without collecting the retail sales
38 tax under this section and who has actual knowledge that the

1 purchaser's proof of identification establishing out-of-state residency
2 is fraudulent is guilty of a misdemeanor and, in addition, shall be
3 liable for the tax and subject to a penalty equal to the greater of one
4 thousand dollars or the tax due on such sales. In addition, both the
5 purchaser and the vendor shall be liable for any penalties and interest
6 assessable under chapter 82.32 RCW.

7 NEW SECTION. **Sec. 2.** This act takes effect August 1, 2005.

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