
HOUSE BILL 2631

State of Washington 59th Legislature 2006 Regular Session

By Representatives Kilmer, Sump, B. Sullivan, Haler, Nixon and Dunn

Read first time 01/11/2006. Referred to Committee on Technology,
Energy & Communications.

1 AN ACT Relating to a tax exemption for the sale of
2 telecommunications or internet services to customers; adding a new
3 section to chapter 82.08 RCW; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW
6 to read as follows:

7 (1) The tax levied by RCW 82.08.020 shall not apply to tangible
8 personal property for use or consumption directly and predominantly in
9 the receiving, initiating, amplifying, processing, monitoring,
10 transmitting, retransmitting, or switching of telecommunications
11 services for sale, internet access services for sale, or any
12 combination thereof, including tangible personal property used or
13 consumed to upgrade systems used to provide those same services.

14 (2) The tax levied by RCW 82.08.020 shall not apply to machinery,
15 equipment, and other tangible personal property for use in a data
16 center or call center that supports the sale of telecommunications or
17 internet services for customers.

18 (3) Where otherwise taxable services are rendered directly to or in

1 relation to tangible personal property as outlined in subsection (1) of
2 this section, those services are also exempt from the tax levied by RCW
3 82.08.020.

4 (4) The joint legislative audit and review committee, with the
5 cooperation of the department of revenue, shall report on the
6 effectiveness of the tax incentives in this section to the appropriate
7 committees of the legislature by December 1, 2007. The report shall
8 measure the effectiveness of the tax incentives on promoting build out
9 of telecommunications infrastructure and any other factors the
10 committee may select.

11 (5) This section expires June 30, 2013.

--- END ---