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SENATE BILL 5409

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State of Washington

59th Legislature

2005 Regular Session

By Senators Benton and Roach

Read first time 01/24/2005. Referred to Committee on Ways & Means.

1 AN ACT Relating to excluding the value of rebates from sales and  
2 use taxation; and amending RCW 82.08.010.

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

4 **Sec. 1.** RCW 82.08.010 and 2004 c 153 s 406 are each amended to  
5 read as follows:

6 For the purposes of this chapter:

7 (1) "Selling price" includes "sales price." "Sales price" means  
8 the total amount of consideration, except separately stated trade-in  
9 property of like kind, including cash, credit, property, and services,  
10 for which tangible personal property or services defined as a "retail  
11 sale" under RCW 82.04.050 are sold, leased, or rented, valued in money,  
12 whether received in money or otherwise. No deduction from the total  
13 amount of consideration is allowed for the following: (a) The seller's  
14 cost of the property sold; (b) the cost of materials used, labor or  
15 service cost, interest, losses, all costs of transportation to the  
16 seller, all taxes imposed on the seller, and any other expense of the  
17 seller; (c) charges by the seller for any services necessary to  
18 complete the sale, other than delivery and installation charges; (d)  
19 delivery charges; (e) installation charges; and (f) the value of exempt

1 tangible personal property given to the purchaser where taxable and  
2 exempt tangible personal property have been bundled together and sold  
3 by the seller as a single product or piece of merchandise.

4 When tangible personal property is rented or leased under  
5 circumstances that the consideration paid does not represent a  
6 reasonable rental for the use of the articles so rented or leased, the  
7 "selling price" shall be determined as nearly as possible according to  
8 the value of such use at the places of use of similar products of like  
9 quality and character under such rules as the department may prescribe.

10 "Selling price" or "sales price" does not include: Discounts,  
11 including cash, term, or coupons that are not reimbursed by a third  
12 party that are allowed by a seller and taken by a purchaser on a sale;  
13 interest, financing, and carrying charges from credit extended on the  
14 sale of tangible personal property or services, if the amount is  
15 separately stated on the invoice, bill of sale, or similar document  
16 given to the purchaser; a rebate given by a manufacturer and assigned  
17 to a seller by a buyer; and any taxes legally imposed directly on the  
18 consumer that are separately stated on the invoice, bill of sale, or  
19 similar document given to the purchaser;

20 (2) "Seller" means every person, including the state and its  
21 departments and institutions, making sales at retail or retail sales to  
22 a buyer, purchaser, or consumer, whether as agent, broker, or  
23 principal, except "seller" does not mean the state and its departments  
24 and institutions when making sales to the state and its departments and  
25 institutions;

26 (3) "Buyer," "purchaser," and "consumer" include, without limiting  
27 the scope hereof, every individual, receiver, assignee, trustee in  
28 bankruptcy, trust, estate, firm, copartnership, joint venture, club,  
29 company, joint stock company, business trust, corporation, association,  
30 society, or any group of individuals acting as a unit, whether mutual,  
31 cooperative, fraternal, nonprofit, or otherwise, municipal corporation,  
32 quasi municipal corporation, and also the state, its departments and  
33 institutions and all political subdivisions thereof, irrespective of  
34 the nature of the activities engaged in or functions performed, and  
35 also the United States or any instrumentality thereof;

36 (4) "Delivery charges" means charges by the seller of personal  
37 property or services for preparation and delivery to a location

1 designated by the purchaser of personal property or services including,  
2 but not limited to, transportation, shipping, postage, handling,  
3 crating, and packing;

4 (5) The meaning attributed in chapter 82.04 RCW to the terms "tax  
5 year," "taxable year," "person," "company," "sale," "sale at retail,"  
6 "retail sale," "sale at wholesale," "wholesale," "business," "engaging  
7 in business," "cash discount," "successor," "consumer," "in this state"  
8 and "within this state" shall apply equally to the provisions of this  
9 chapter;

10 (6) For the purposes of the taxes imposed under this chapter and  
11 under chapter 82.12 RCW, "tangible personal property" means personal  
12 property that can be seen, weighed, measured, felt, or touched, or that  
13 is in any other manner perceptible to the senses. Tangible personal  
14 property includes electricity, water, gas, steam, and prewritten  
15 computer software.

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