
SENATE BILL 5498

State of Washington

59th Legislature

2005 Regular Session

By Senator Delvin

Read first time 01/26/2005. Referred to Committee on Ways & Means.

1 AN ACT Relating to sales tax exemptions and remittances for
2 nonresidents; amending RCW 82.08.0273; and prescribing penalties.

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 are eligible for an exemption in the form of
8 a remittance of state and local sales tax paid on purchases of tangible
9 personal property for use outside this state when the purchaser (a) is
10 a bona fide resident of a state or possession or Province of Canada
11 other than the state of Washington and such state, possession, or
12 Province of Canada does not impose a retail sales tax or use tax of
13 three percent or more or, if imposing such a tax, permits Washington
14 residents exemption from otherwise taxable sales by reason of their
15 residence, and (b) (~~agrees, when requested,~~) applies to the
16 department for remittance of the tax paid. In the application, the
17 purchaser must agree to grant the department of revenue access to such
18 records and other forms of verification at his or her place of

1 residence to assure that such purchases are not first used
2 substantially in the state of Washington.

3 ~~(2)((a) Any person claiming exemption from retail sales tax under~~
4 ~~the provisions of this section must display proof of his or her current~~
5 ~~nonresident status as herein provided.~~

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

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

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

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

36 ~~((5)(a) Any vendor who makes sales without collecting the tax to~~
37 ~~a person who does not hold valid identification establishing out-of-~~

1 ~~state residency, and any vendor who fails to maintain records of sales~~
2 ~~to nonresidents as provided in this section, shall be personally liable~~
3 ~~for the amount of tax due.~~

4 ~~(b) Any vendor who makes sales without collecting the retail sales~~
5 ~~tax under this section and who has actual knowledge that the~~
6 ~~purchaser's proof of identification establishing out of state residency~~
7 ~~is fraudulent is guilty of a misdemeanor and, in addition, shall be~~
8 ~~liable for the tax and subject to a penalty equal to the greater of one~~
9 ~~thousand dollars or the tax due on such sales. In addition, both the~~
10 ~~purchaser and the vendor shall be liable for any penalties and interest~~
11 ~~assessable under chapter 82.32 RCW.))~~

12 (3) Notwithstanding anything in this section to the contrary, an
13 individual shall not qualify for remittance of local sales tax under
14 this section when the local jurisdiction has passed an ordinance or
15 resolution which specifies no remittance is permissible.

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