

# HOUSE BILL REPORT

## HB 1381

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**As Reported by House Committee On:**  
Finance

**Title:** An act relating to making changes of a technical nature to laws relating to taxes or tax programs, administered by the department of revenue.

**Brief Description:** Making changes of a technical nature to tax laws.

**Sponsors:** Representatives Hasegawa, Orcutt, McIntire and Condotta; by request of Department of Revenue.

**Brief History:**

**Committee Activity:**

Finance: 1/30/07, 2/7/07 [DPS].

### Brief Summary of Substitute Bill

- Makes technical changes to excise and property tax laws.

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## HOUSE COMMITTEE ON FINANCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hunter, Chair; Hasegawa, Vice Chair; Orcutt, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Conway, Ericks, McIntire, Roach and Santos.

**Staff:** Jeff Mitchell (786-7139).

### Background:

Inaccuracies in the Revised Code of Washington (RCW) may occur in a variety of ways.

Typographical, drafting, structural, or grammatical errors may be made in bill drafts and floor amendments. Sections may be repealed, recodified, or amended in a way that changes their internal numbering, creating incorrect cross-references. A bill may change a particular term or an entity may be renamed or abolished, and references to these terms or entities in other provisions of the code become inaccurate.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

A bill may have contingent effective or expiration dates. Contingent dates lead to a multiplicity of sections, which causes confusion for readers and additional bill drafting complexity.

In a given legislative session, two or more bills may amend the same section of the code without reference to each other. This is called "double" or "multiple" amendments. Merging multiple amendments may sometimes require the restructuring of a section for grammatical or other reasons.

Some provisions of the code become obsolete with the passage of time. The Washington Legislature may provide a tax reduction, for example, that operates only for a specified number of years or expires on a specified date.

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### **Summary of Substitute Bill:**

Technical corrections are made to various provisions related to property and excise taxes. These changes include:

- (1) correcting drafting errors, structural problems such as RCW strings that are not in numeric order, inaccurate references to terms that have been changed, and inaccurate cross-references;
- (2) adding or modifying language to clarify statutory provisions;
- (3) reenacting sections of code to merge multiple amendments; and
- (4) repealing several obsolete provisions of code.

In addition, a contingency clause in chapter 67, Laws of 2002, making the act null and void if the federal Mobile Telecommunications Sourcing Act is invalidated by a court, is repealed to eliminate the multiplicity of sections it has generated. The likelihood of court action is extremely remote.

### **Substitute Bill Compared to Original Bill:**

The substitute bill removes RCW 82.08.841 and 82.12.841, which relate to sales and use tax exemptions for farm machinery and equipment.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed, except section 5, relating to the tax rate for sales at retail, which takes effect July 1, 2011.

**Staff Summary of Public Testimony:**

(In Support) This bill takes great strides to make changes to our code that would have otherwise gone unforeseen. This is not a very exciting piece of legislation, but it makes changes that we need. It's an important piece of legislation for the Department of Revenue (DOR). A section by section analysis has been provided. The last technical corrections bill by the DOR was in 2001. Since then we've had several errors and inaccuracies occur in the statutes. We want to get into the habit of introducing technical corrections bills more frequently so they are short and clean. This bill makes it easier for us and taxpayers reading the code.

(Opposed) None.

**Persons Testifying:** (In support) Gil Brewer, Department of Revenue.

**Persons Signed In To Testify But Not Testifying:** None.