
HOUSE BILL 2146

State of Washington 60th Legislature 2007 Regular Session

By Representatives Seaquist, Rolfes, Lantz, Appleton, Simpson and Kelley

Read first time 02/09/2007. Referred to Committee on Finance.

1 AN ACT Relating to sales and use taxes on toll projects; amending
2 RCW 47.46.060; and adding a new section to chapter 82.32 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.32 RCW
5 to read as follows:

6 The tax imposed and collected under chapters 82.08 and 82.12 RCW,
7 less any credits allowed under chapter 82.14 RCW, on initial
8 construction of a street, place, road highway, easement, right-of-way,
9 bridge, tunnel, or trestle in which eighty percent of the cost of the
10 project must be recovered through tolls, shall be transferred to the
11 tolling account of the project and used to lower the overall cost of
12 the project and thereby the corresponding tolls.

13 **Sec. 2.** RCW 47.46.060 and 2002 c 114 s 18 are each amended to read
14 as follows:

15 (1) Any person, including the department of transportation and any
16 private entity or entities, may apply for deferral of taxes on the site
17 preparation for, the construction of, the acquisition of any related
18 machinery and equipment which will become a part of, and the rental of

1 equipment for use in the state route number 16 corridor improvements
2 project under this chapter. Application shall be made to the
3 department of revenue in a form and manner prescribed by the department
4 of revenue. The application shall contain information regarding
5 estimated or actual costs, time schedules for completion and operation,
6 and other information required by the department of revenue. The
7 department of revenue shall approve the application within sixty days
8 if it meets the requirements of this section.

9 (2) The department of revenue shall issue a sales and use tax
10 deferral certificate for state and local sales and use taxes due under
11 chapters 82.08, 82.12, and 82.14 RCW on the project.

12 (3) The department of transportation or a private entity granted a
13 tax deferral under this section shall begin paying the deferred taxes
14 in the fifth year after the date certified by the department of revenue
15 as the date on which the project is operationally complete. The first
16 payment is due on December 31st of the fifth calendar year after such
17 certified date, with subsequent annual payments due on December 31st of
18 the following nine years. Each payment shall equal ten percent of the
19 deferred tax. The project is operationally complete under this section
20 when the collection of tolls is commenced for the state route number 16
21 improvements covered by the deferral.

22 (4) The department of revenue may authorize an accelerated
23 repayment schedule upon request of the department of transportation or
24 a private entity granted a deferral under this section.

25 (5) Interest shall not be charged on any taxes deferred under this
26 section for the period of deferral, although all other penalties and
27 interest applicable to delinquent excise taxes may be assessed and
28 imposed for delinquent payments under this section. The debt for
29 deferred taxes is not extinguished by insolvency or other failure of
30 the private entity. Transfer of ownership does not terminate the
31 deferral.

32 (6) Applications and any other information received by the
33 department of revenue under this section are not confidential and are
34 subject to disclosure. Chapter 82.32 RCW applies to the administration
35 of this section.

36 (7) Taxes due under chapters 82.08 and 82.12 RCW on the site
37 preparation for, the construction of, the acquisition of any related

1 machinery and equipment that will become a part of, and the rental of
2 equipment for use in the state route number 16 corridor improvements
3 for which a deferral has been granted need not be repaid.

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