
HOUSE BILL 3051

State of Washington 60th Legislature 2008 Regular Session

By Representatives Seaquist, Lantz, Clibborn, Hunter, Lias, Rolfes,
and Green

Read first time 01/21/08. Referred to Committee on Finance.

1 AN ACT Relating to sales and use tax on transportation projects;
2 amending 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 (1) The tax imposed and collected under chapters 82.08 and 82.12
7 RCW, less any credits allowed under chapter 82.14 RCW, on the initial
8 construction of a transportation project in which fifty percent or more
9 of the cost of the project or more than one billion dollars will be:

10 (a) Recovered through tolls, must be transferred to the tolling
11 account of the project; or

12 (b) Provided by funding sources adopted pursuant to chapter 36.73
13 RCW, must be transferred to the entity providing the local funding for
14 the transportation project.

15 (2) Revenue transferred under subsection (1)(a) or (b) of this
16 section must be used to lower the overall cost of the project.

17 (3) A transfer under this section is exempt from the provisions of
18 RCW 43.135.035(4).

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

3 (1) Any person, including the department of transportation and any
4 private entity or entities, may apply for deferral of taxes on the site
5 preparation for, the construction of, the acquisition of any related
6 machinery and equipment which will become a part of, and the rental of
7 equipment for use in the state route number 16 corridor improvements
8 project under this chapter. Application shall be made to the
9 department of revenue in a form and manner prescribed by the department
10 of revenue. The application shall contain information regarding
11 estimated or actual costs, time schedules for completion and operation,
12 and other information required by the department of revenue. The
13 department of revenue shall approve the application within sixty days
14 if it meets the requirements of this section.

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

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

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

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

1 (6) Applications and any other information received by the
2 department of revenue under this section are not confidential and are
3 subject to disclosure. Chapter 82.32 RCW applies to the administration
4 of this section.

5 (7) If a deferral has been granted under subsection (1) of this
6 section, the taxes otherwise due under chapters 82.08 and 82.12 RCW on
7 the site preparation for, the construction of, the acquisition of any
8 related machinery and equipment that will become a part of, and the
9 rental of equipment for use in the state route number 16 corridor
10 improvements need not be repaid.

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