

PART II
DEFINITIONS

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2
3 NEW SECTION. **Sec. 201.** INTRODUCTORY. Unless the context clearly
4 requires otherwise, the definitions in sections 202 through 212 of this
5 act apply throughout this title.

6 NEW SECTION. **Sec. 202.** ADJUSTED GROSS INCOME. "Adjusted gross
7 income" means adjusted gross income as determined under the internal
8 revenue code.

9 NEW SECTION. **Sec. 203.** DEPARTMENT. "Department" means the state
10 department of revenue.

11 NEW SECTION. **Sec. 204.** FEDERAL BASE INCOME. "Federal base
12 income" means:

- 13 (1) For individuals, adjusted gross income;
14 (2) For estates and trusts, taxable income as determined for
15 estates and trusts consistent with subtitle A, chapter I, subchapter J
16 of the internal revenue code.

17 NEW SECTION. **Sec. 205.** INDIVIDUAL. "Individual" means a natural
18 person.

19 NEW SECTION. **Sec. 206.** INTERNAL REVENUE CODE. "Internal revenue
20 code" means the United States internal revenue code of 1986 and
21 amendments thereto, as existing and in effect on January 1, 2006.

22 NEW SECTION. **Sec. 207.** PERSON. "Person" includes individuals,
23 partnerships, firms, companies, fiduciaries, estates, trusts, and any
24 other group or combination acting as a unit, but does not include
25 corporations.

26 NEW SECTION. **Sec. 208.** RESIDENT. (1) "Resident" includes an
27 individual who:

- 28 (a) Has resided in this state for the entire tax year; or
29 (b) Is domiciled in this state unless the individual:
30 (i) Maintains no permanent place of abode in this state; and
31 (ii) Does not maintain a permanent place of abode elsewhere; and

1 (iii) Spends in the aggregate not more than thirty days in the tax
2 year in this state; or

3 (c) Is not domiciled in this state, but maintains a permanent place
4 of abode in this state and spends in the aggregate more than one
5 hundred eighty-three days of the tax year in this state unless the
6 individual establishes to the satisfaction of the director of revenue
7 that the individual is in the state only for temporary or transitory
8 purposes; or

9 (d) Claims the state of Washington as the individual's tax home for
10 federal income tax purposes.

11 (2) A resident estate means an estate of which a personal
12 representative was appointed by a Washington court or an estate
13 administration of which is carried on in this state.

14 (3) A resident trust means a trust whose situs as determined by RCW
15 11.96A.030 is within the state of Washington.

16 NEW SECTION. **Sec. 209.** S CORPORATION. "S corporation" means an
17 S corporation as defined in section 1361 of the internal revenue code.

18 NEW SECTION. **Sec. 210.** TAXABLE INCOME. "Taxable income" means
19 federal base income as modified under sections 401 through 503 of this
20 act.

21 NEW SECTION. **Sec. 211.** TAXABLE YEAR. "Taxable year" means the
22 taxpayer's taxable year as defined under the internal revenue code.

23 NEW SECTION. **Sec. 212.** TAXPAYER. "Taxpayer" means a person
24 receiving income subject to tax under this title.

25 NEW SECTION. **Sec. 213.** DEFINITION OF TERMS GENERALLY. Except as
26 provided in sections 201 through 212 of this act, any term used in this
27 title has the same meaning as when used in a comparable context in the
28 internal revenue code.

29 **PART III**
30 **DETERMINATION OF TAX**

1 NEW SECTION. **Sec. 301.** TAX IMPOSED--RATES. (1) A tax is imposed
2 on all taxable income of resident individuals, estates, and trusts and
3 on all individuals, estates, and trusts deriving income from sources in
4 Washington for each taxable year based on the type of return filed and
5 the amount of income in accordance with this section.

6 (2) For every married individual who makes a single return jointly
7 with his or her spouse and for every surviving spouse, the tax is
8 determined in accordance with the following table:

| 9 If taxable income is: | 10 The tax is: |
|---|--|
| 11 Not over \$49,900..... | 2.2% of taxable income |
| 12 Over \$49,900 but not over \$120,650..... | \$1,098 plus 3.5% of the excess over \$49,900 |
| 13 Over \$120,650..... | \$3,574 plus 6.0% of the excess over \$120,650 |

14 (3) For every head of a household, the tax shall be determined in
15 accordance with the following table:

| 15 If taxable income is: | 16 The tax is: |
|--|---|
| 17 Not over \$37,425..... | 2.2% of taxable income |
| 18 Over \$37,425 but not over \$90,488..... | \$823 plus 3.5% of the excess over \$37,425 |
| 19 Over \$90,488..... | \$2,681 plus 6.0% of the excess over \$90,488 |

20 (4) For every individual, other than a surviving spouse or the head
21 of a household, who is not a married individual and for every married
22 individual who does not make a single return jointly with his or her
23 spouse and for every estate and trust, the tax is determined in
24 accordance with the following table:

| 24 If taxable income is: | 25 The tax is: |
|--|---|
| 26 Not over \$24,950..... | 2.2% of taxable income |
| 27 Over \$24,950 but not over \$60,325..... | \$549 plus 3.5% of the excess over \$24,950 |
| 28 Over \$60,325..... | \$1,787 plus 6.0% of the excess over \$60,325 |

29 (5) Taxable income of a taxpayer exempt from taxation by internal
30 revenue code section 501 is exempt from taxation by this title.

31 NEW SECTION. **Sec. 302.** CREDIT FOR INCOME TAXES DUE ANOTHER
32 JURISDICTION. (1) A resident individual, estate, or trust is allowed

1 a credit against the tax imposed under this title for the amount of any
2 income tax imposed by another state or foreign country, or political
3 subdivision of the state or foreign country, on income taxed under this
4 title, subject to the following conditions, which must be imposed
5 separately with respect to each taxing jurisdiction:

6 (a) The credit is allowed only for taxes imposed by the other
7 jurisdiction on net income from sources within that jurisdiction; and

8 (b) The amount of the credit shall not exceed the smaller of:

9 (i) The amount of tax paid to the other jurisdiction on net income
10 from sources within the other jurisdiction; or

11 (ii) The amount of tax due under this title before application of
12 credits allowable by this title, multiplied by a fraction. The
13 numerator of the fraction is the amount of the taxpayer's adjusted
14 gross income subject to tax in the other jurisdiction. The denominator
15 of the fraction is the taxpayer's total adjusted gross income as
16 modified by this title. The fraction may never be greater than one.

17 (2) If, in lieu of a credit similar to the credit allowed under
18 subsection (1) of this section, the laws of the other taxing
19 jurisdiction contain a provision exempting a resident of this state
20 from liability for the payment of income taxes on income earned for
21 personal services performed in such jurisdiction, then the director is
22 authorized to enter into a reciprocal agreement with such jurisdiction
23 providing a similar tax exemption on income earned for personal
24 services performed in this state.

25 NEW SECTION. **Sec. 303.** DUAL RESIDENCE. If an individual is
26 regarded as a resident both of this state and another jurisdiction for
27 state personal income tax purposes, the department must reduce the tax
28 on that portion of the taxpayer's income which is subjected to tax in
29 both jurisdictions solely by virtue of dual residence, if the other
30 taxing jurisdiction allows a similar reduction. The reduction must
31 equal the lower of the two taxes applicable to the income taxed twice,
32 multiplied by a fraction. The numerator of the fraction is the tax
33 imposed by this state on the income taxed twice. The denominator of
34 the fraction is the tax imposed by both jurisdictions on the income
35 taxed twice. The fraction must never be greater than one.

1 NEW SECTION. **Sec. 304.** BUSINESS AND OCCUPATION TAX CREDIT. (1)

2 There is allowed a credit against the tax imposed by this title in the
3 amount of the state of Washington business and occupation tax paid by
4 the taxpayer in the tax year subject to the limitation of subsection
5 (2) of this section.

6 (2) The credit may not exceed the smaller of:

7 (a) The amount of business and occupation tax paid; or

8 (b) The amount of tax of the taxpayer imposed by this title before
9 the application of credits allowed by this title, multiplied by a
10 fraction:

11 (i) The numerator is the amount of the taxpayer's adjusted gross
12 income attributable to activities subject to business and occupation
13 tax; and

14 (ii) The denominator is the taxpayer's adjusted gross income as
15 modified by this title. The fraction may never be greater than one.

16 NEW SECTION. **Sec. 305.** PUBLIC UTILITY TAX CREDIT. (1) There is

17 allowed a credit against the tax imposed by this title in the amount of
18 the state of Washington public utility tax paid by the taxpayer in the
19 tax year subject to the limitation of subsection (2) of this section.

20 (2) The credit may not exceed the smaller of:

21 (a) The amount of public utility tax paid; or

22 (b) The amount of tax of the taxpayer imposed by this title before
23 the application of credits allowed by this title, multiplied by a
24 fraction:

25 (i) The numerator is the amount of the taxpayer's adjusted gross
26 income attributable to activities subject to public utility tax; and

27 (ii) The denominator is the taxpayer's adjusted gross income as
28 modified by this title. The fraction shall never be greater than one.

29 NEW SECTION. **Sec. 306.** CARRYFORWARDS AND CARRYBACKS. The amount

30 of tax credits received by any taxpayer under sections 302, 304, and
31 305 of this act may not exceed the total amount of tax due, and there
32 shall be no carryback or carryforward of any unused excess credits.

33 **PART IV**

34 **TAXABLE INCOME MODIFICATIONS**

1 NEW SECTION. **Sec. 401.** INTRODUCTORY. In computing taxable
2 income, modifications must be made to the taxpayer's federal base
3 income as required under sections 301 through 410 of this act, unless
4 the modification has the effect of duplicating an item of income or
5 deduction.

6 NEW SECTION. **Sec. 402.** STATE AND LOCAL OBLIGATIONS. To federal
7 base income, add income which has been excluded under section 103 of
8 the internal revenue code in computing federal base income, except
9 interest on obligations of the state of Washington or political
10 subdivisions of the state of Washington.

11 NEW SECTION. **Sec. 403.** STATE AND LOCAL INCOME TAXES--BUSINESS AND
12 OCCUPATION, PUBLIC UTILITY TAXES. To federal base income, add:

13 (1) Taxes on or measured by net income which have been deducted
14 under the internal revenue code in computing federal base income;

15 (2) The amount of taxes paid or accrued which have been deducted
16 for federal purposes, but for which a business and occupation tax
17 credit or public utility tax credit, or both, is allowed.

18 NEW SECTION. **Sec. 404.** NET OPERATING LOSS. There is allowed as
19 a deduction from federal base income the amount of net operating loss
20 as allowed in section 172 of the internal revenue code. The
21 calculation of the loss amount must reflect the modifications to
22 federal base income as provided in this title and a net operating loss
23 deduction may include a loss carried forward to the tax year but may
24 not include a loss carried back from a future year.

25 NEW SECTION. **Sec. 405.** CARRYOVERS. To federal base income, add
26 amounts which have been deducted in computing federal base income to
27 the extent the amounts have been carried over from taxable years ending
28 before the effective date of this title.

29 NEW SECTION. **Sec. 406.** FEDERAL OBLIGATIONS. From federal base
30 income, deduct, to the extent included in federal base income, income
31 derived from obligations of the United States which this state is
32 prohibited by federal law from subjecting to a net income tax.
33 However, the amount deducted under this section must be reduced by any

1 expense, including amortizable bond premiums, incurred in the
2 production of such income to the extent the expense has been deducted
3 in calculating federal base income.

4 NEW SECTION. **Sec. 407.** STANDARD DEDUCTION--PERSONAL EXEMPTION.

5 There is allowed from federal base income the following standard
6 deductions and personal exemption deduction:

7 (1) The standard deduction for an individual shall be:

8 (a) In the case of a joint return or a surviving spouse, seven
9 thousand dollars if only one spouse has earned income and seven
10 thousand dollars plus the earned income of the spouse with the lesser
11 income, not to exceed ten thousand dollars in total, if both spouses
12 have earned income;

13 (b) In the case of the head of a household, seven thousand dollars;

14 (c) In the case of an individual who is not married and who is not
15 a surviving spouse or head of a household and in the case of a married
16 individual filing a separate return, five thousand dollars.

17 (2) A personal exemption deduction in the amount of two thousand
18 nine hundred dollars is allowed for each individual for whom a personal
19 exemption deduction is allowed for federal income tax purposes.

20 (3) An additional exemption deduction in the amount of one thousand
21 dollars is allowed:

22 (a) For the individual if the individual has attained age sixty-
23 five before the close of the taxable year; and

24 (b) For the spouse of the individual if the spouse has attained age
25 sixty-five before the close of the taxable year if a joint return is
26 not made by the individual and the individual's spouse and the spouse,
27 for the calendar year in which the taxable year of the individual
28 begins, has no gross income and is not the dependent of another
29 individual.

30 (4) An additional exemption deduction in the amount of one thousand
31 dollars is allowed:

32 (a) For the individual if the individual is blind at the close of
33 the taxable year; and

34 (b) For the spouse of the individual if the spouse is blind at the
35 close of the taxable year if a joint return is not made by the
36 individual and the individual's spouse and the spouse, for the calendar

1 year in which the taxable year of the individual begins, has no gross
2 income and is not the dependent of another individual.

3 NEW SECTION. **Sec. 408.** ADJUSTMENT OF DEDUCTIONS AND EXEMPTIONS
4 FOR NONRESIDENTS. The deductions from federal base income allowed
5 under section 407 of this act for individual taxpayers who are not
6 residents of this state for the entire taxable year must be reduced by
7 multiplying the amount of the deductions by a fraction. The numerator
8 of the fraction is the individual's adjusted gross income attributable
9 to sources within the state of Washington. The denominator of the
10 fraction is the individual's gross income from all sources. The
11 fraction may never be greater than one.

12 NEW SECTION. **Sec. 409.** TAX RETURNS FOR FRACTIONAL YEAR. (1) If
13 the first taxable year of any taxpayer with respect to which a tax is
14 imposed by this title ends before December 31st of the calendar year in
15 which this title becomes effective, the taxable income for the
16 fractional taxable year is the taxpayer's taxable income for the entire
17 taxable year, adjusted by one of the following methods, at the
18 taxpayer's election:

19 (a) The taxable income must be multiplied by a fraction. The
20 numerator of the fraction is the number of days in the fractional
21 taxable year. The denominator of the fraction is the number of days in
22 the entire taxable year.

23 (b) The taxable income must be adjusted, in accordance with rules
24 of the department, so as to include only such income and be reduced
25 only by such deductions as can be clearly determined from the permanent
26 records of the taxpayer to be attributable to the fractional taxable
27 year.

28 (2) If an individual taxpayer's taxable income is adjusted under
29 subsection (1) of this section, the deduction amounts allowed under
30 section 407 of this act for the taxpayer must be reduced by multiplying
31 the amount of the exemption by a fraction. The numerator of the
32 fraction is the number of days in the taxpayer's fractional taxable
33 year. The denominator of the fraction is the number of days in the
34 entire taxable year.

1 NEW SECTION. **Sec. 410.** INDEX FOR INFLATION. For each tax year
 2 beginning after December 31, 2011, the standard deduction and the
 3 personal exemption deduction amounts under section 407 of this act must
 4 be adjusted by the department for inflation by multiplying the standard
 5 deduction and the personal exemption deduction amounts of the previous
 6 tax year by the cost-of-living adjustment as determined under internal
 7 revenue code section 1(f)(3) through (5) for the calendar year in which
 8 the tax year begins. No adjustment may be made which decreases the
 9 standard deduction and personal exemption deduction amounts. If any
 10 adjustment increase is not a multiple of ten dollars, the increase must
 11 be rounded to the next lowest multiple of ten dollars.

12 **PART V**

13 **DIVISION OF INCOME, MODIFICATIONS, AND CREDITS**

14 NEW SECTION. **Sec. 501.** APPORTIONMENT AND ALLOCATION OF INCOME.

15 (1) For resident individuals, estates, and trusts, all income must be
 16 apportioned and allocated to this state.

17 (2) For nonresident individuals, estates, and trusts, income
 18 derived from sources within this state must be apportioned and
 19 allocated to this state. For purposes of this title:

20 (a) The adjusted gross income of a nonresident derived from sources
 21 within this state is the net amount of items of income, gain, loss, and
 22 deduction of the nonresident's federal adjusted gross income that are
 23 derived from or connected with sources in this state including any
 24 distributive share of partnership income and deductions, and any share
 25 of estate or trust income and deductions, including any unrelated
 26 business income of an otherwise exempt trust or organization.

27 (b) Items of income, gain, loss, and deduction derived from or
 28 connected with sources within this state are those items attributable
 29 to the ownership or disposition of any interest in real or tangible
 30 personal property in this state, and a business, trade, profession, or
 31 occupation carried on within this state. The department must issue
 32 rules to provide consistency of this section with the excise tax
 33 provisions.

34 (c) Deduction with respect to expenses, capital losses, and net
 35 operating losses shall be based solely on income, gains, losses, and

1 deductions derived from or connected with sources in this state but
2 shall otherwise be determined in the same manner as the corresponding
3 federal deduction except as provided in this title.

4 (d) Income from intangible personal property, including annuities,
5 dividends, interest, and gains from the disposition of intangible
6 personal property, constitutes income derived from sources within the
7 state of Washington only to the extent that such income is from
8 property employed in a business, trade, profession, or occupation
9 carried on within this state. However, distributed and undistributed
10 income of an electing S corporation for federal tax purposes derived
11 from or connected with sources within this state is income derived from
12 sources within this state for a nonresident shareholder. A net
13 operating loss of such corporation does constitute a loss or deduction
14 connected with sources within this state for a nonresident shareholder.

15 (e) Compensation paid by the United States for service in the armed
16 forces of the United States performed in this state by a nonresident
17 does not constitute income derived from sources within this state.

18 (f) If a business, trade, profession, or occupation is carried on
19 partly within and partly without this state, the determination of net
20 income derived or connected with sources within this state as provided
21 in this section must be made by apportionment and allocation of chapter
22 82.56 RCW.

23 NEW SECTION. **Sec. 502.** PARTNERSHIPS AND S CORPORATIONS. (1)

24 Partnerships are not subject to tax under this title. Partners are
25 subject to tax in their separate or individual capacities.

26 (2) S corporations are not subject to tax under this title.
27 Shareholders of S corporations are subject to tax in their separate or
28 individual capacities.

29 (3) The taxable incomes of partners shall be computed by including
30 a pro rata share of the modifications under sections 401 through 503 of
31 this act and the credits allowed under sections 302, 304, and 305 of
32 this act, if the modification or credit relates to the income of the
33 partnership. Each partner's pro rata share of a modification or credit
34 is the amount of modification or credit multiplied by a fraction. The
35 numerator of the fraction is the partner's distributive share of
36 partnership income. The denominator of the fraction is the total
37 partnership income. The fraction shall never be greater than one.

1 (4) The taxable incomes of shareholders of S corporations must be
2 computed by including a share of the modifications under sections 401
3 through 503 of this act and the credits allowed under sections 302,
4 304, and 305 of this act, if the modification or credit relates to the
5 income of the S corporation. Each shareholder's share of a
6 modification or credit is the amount of modification or credit
7 multiplied by a fraction. The numerator of the fraction is the
8 shareholder's pro rata share of S corporation income. The denominator
9 of the fraction is the total S corporation income. The fraction may
10 never be greater than one.

11 (5) As used in this section:

12 (a) "S corporation income" includes both distributed and
13 undistributed federal taxable income of the S corporation.

14 (b) "Pro rata share" means pro rata share as determined under
15 section 1366(a) of the internal revenue code.

16 NEW SECTION. **Sec. 503.** ESTATES, TRUSTS, AND BENEFICIARIES. (1)
17 The taxable incomes of estates, trusts, and beneficiaries thereof is
18 computed by including a share of the modifications under sections 401
19 through 503 of this act and the credits allowed under sections 302,
20 304, and 305 of this act.

21 Each taxpayer's share of a modification or credit is the amount of
22 modification or credit multiplied by a fraction. The numerator of the
23 fraction is the taxpayer's share of the distributable net income of the
24 estate or trust. The denominator of the fraction is the total
25 distributable net income of the estate or trust. The fraction may
26 never be greater than one.

27 (2) As used in this section, "distributable net income" means
28 distributable net income as defined in the internal revenue code. If
29 an estate or trust has no federal distributable net income, the term
30 means the income of the estate or trust which is distributed or is
31 required to be distributed during the taxable year under local law or
32 the terms of the estate or trust instrument.

33 (3) Any portion of a modification which is not included in
34 calculating the taxable incomes of the beneficiaries shall be included
35 in calculating the taxable income of the trust or estate.

PART VI

WITHHOLDING--ESTIMATED TAX

NEW SECTION. Sec. 601. EMPLOYER WITHHOLDING--REQUIREMENTS. (1)

Every employer making a payment of wages or salaries earned in this state, regardless of the place where the payment is made, and who is required by the internal revenue code to withhold taxes, shall deduct and withhold a tax as prescribed by the department by rule. The rules prescribed must reasonably reflect the annual tax liability of the employee under this title. Every employer making such a deduction and withholding shall furnish to the employee a record of the amount of tax deducted and withheld from the employee on forms provided by the department.

(2) If the employee is a resident of this state and earns income from personal services entirely performed in another state which imposes an income tax on the income, and the employer withholds income taxes under the laws of the state in which the income is earned, the employer is not required to withhold any tax imposed by this title on the income if the laws of the state in which the income is earned allow a similar exemption for its residents who earn income in this state.

NEW SECTION. Sec. 602. LIABILITY OF EMPLOYER FOR TAX WITHHELD.

Any person required to deduct and withhold the tax imposed by this title is liable to the department for the payment of the amount deducted and withheld, and is not liable to any other person for the amount of tax deducted and withheld under this title or for the act of withholding. The amount of tax so deducted and withheld must be held to be a special fund in trust for this state.

NEW SECTION. Sec. 603. CREDIT FOR TAX WITHHELD--HOW CLAIMED. The

amount deducted and withheld as tax under sections 601 through 606 of this act during any taxable year must be allowed as a credit against the tax imposed for the taxable year by this title. If the liability of any individual for taxes, interest, penalties, or other amounts due the state of Washington is less than the total amount of the credit which the individual is entitled to claim under this section, the individual is entitled to a refund from the department in the amount of the excess of the credit over the tax otherwise due. If any individual entitled to claim a credit under this section is not otherwise required

1 by this title to file a return, a refund may be obtained in the amount
2 of the credit by filing a return, with applicable sections completed,
3 to claim the refund. No credit or refund is allowed under this section
4 unless the credit or refund is claimed on a return filed for the
5 taxable year for which the amount was deducted and withheld.

6 NEW SECTION. **Sec. 604.** WITHHOLDING--EXEMPTION DECLARATIONS. An
7 employee is entitled to use and an employer must use the withholding
8 exemption declaration on file with the employer for federal income tax
9 purposes. The department may redetermine the number of withholding
10 exemptions to which any employee is entitled, and the department may
11 require an additional withholding exemption declaration to be filed on
12 a form prescribed by the department where the department finds that the
13 exemption declaration filed for federal income tax purposes does not
14 properly reflect the number of withholding exemptions to which the
15 employee is entitled.

16 NEW SECTION. **Sec. 605.** WITHHOLDING--FAILURE TO PAY OR COLLECT--
17 PENALTIES. (1) The tax required by this title to be collected by the
18 employer must be deemed to be held in trust by the employer until paid
19 to the department.

20 (2) In case any employer, or a responsible person within the
21 meaning of internal revenue code section 6672, fails to collect the tax
22 herein imposed or having collected the tax, fails to pay it to the
23 department, the employer or responsible person shall, nevertheless, be
24 personally liable to the state for the amount of the tax. The interest
25 and penalty provisions of chapter 82.32 RCW shall apply to this
26 section.

27 NEW SECTION. **Sec. 606.** ESTIMATED TAX IMPOSED--DUE DATE OF
28 ESTIMATED TAXES--AMOUNT OF ESTIMATED TAX--UNDERPAYMENT PENALTY. (1)
29 Each individual, estate, or trust subject to taxation by this title
30 which is required by the internal revenue code to make payment of
31 estimated taxes must pay to the department on forms prescribed by the
32 department the estimated taxes due under this title.

33 (2) The provisions of the internal revenue code relating to the
34 determination of reporting periods and due dates of payments of

1 estimated tax applies to the estimated tax payments due under this
2 section.

3 (3) The amount of the estimated tax is the annualized tax divided
4 by the number of months in the reporting period. No estimated tax is
5 due if the annualized tax is less than five hundred dollars. The
6 provisions of RCW 82.32.050 and 82.32.090 apply to underpayments of
7 estimated tax but do not apply to underpayments, as defined by the
8 internal revenue code, if the tax remitted to the department is either
9 ninety percent of the tax shown on the return or one hundred percent of
10 the tax shown on the previous year's tax return.

11 (4) For purposes of this section, the annualized tax is the
12 taxpayer's projected tax liability for the tax year as computed
13 pursuant to internal revenue code section 6654 and the regulations
14 thereunder.

15 **PART VII**
16 **CRIMES**

17 NEW SECTION. **Sec. 701.** CRIMES. (1) Any person who knowingly
18 attempts to evade the tax imposed under this title or payment thereof
19 is guilty of a class C felony as provided in chapter 9A.20 RCW.

20 (2) Any person required to collect tax imposed under this title who
21 knowingly fails to collect, truthfully account for, or pay over the tax
22 is guilty of a class C felony as provided in chapter 9A.20 RCW.

23 (3) Any person who knowingly fails to pay tax, pay estimated tax,
24 make returns, keep records, or supply information, as required under
25 this title, is guilty of a gross misdemeanor as provided in chapter
26 9A.20 RCW.

27 **PART VIII**
28 **ADMINISTRATIVE PROVISIONS**

29 NEW SECTION. **Sec. 801.** METHOD OF ACCOUNTING. (1) A taxpayer's
30 method of accounting for purposes of the tax imposed under this title
31 is the same as the taxpayer's method of accounting for federal income
32 tax purposes. If no method of accounting has been regularly used by a
33 taxpayer for federal income tax purposes or if the method used does not

1 clearly reflect income, tax due under this title is computed by a
2 method of accounting which in the opinion of the department fairly
3 reflects income.

4 (2) If a person's method of accounting is changed for federal
5 income tax purposes, it must be similarly changed for purposes of this
6 title.

7 NEW SECTION. **Sec. 802.** PERSONS REQUIRED TO FILE RETURNS. (1) All
8 taxpayers must file with the department, on forms prescribed by the
9 department, an income tax return for each tax year. Each person
10 required to file a return under this title must, without assessment,
11 notice, or demand, pay any tax due thereon to the department on or
12 before the date fixed for the filing of the return.

13 (2) The department may by rule require that certain taxpayers file,
14 on forms prescribed by the department, informational returns for any
15 period. Each person required by rule to file an informational return
16 must, without assessment, notice, or demand, pay any tax due thereon to
17 the department on or before the date fixed for the filing of the
18 informational return.

19 (3) If an adjustment to a taxpayer's federal return is made by the
20 taxpayer or the internal revenue service, the taxpayer shall, within
21 ninety days of the final determination of the adjustment by the
22 internal revenue service or within thirty days of the filing of a
23 federal return adjusted by the taxpayer, file with the department on
24 forms prescribed by the department a corrected return reflecting the
25 adjustments as finally determined. The taxpayer must pay any
26 additional tax due resulting from the finally determined internal
27 revenue service adjustment or a taxpayer adjustment without notice and
28 assessment. Notwithstanding any provision of this title or any other
29 title to the contrary, the period of limitation for the collection of
30 the additional tax, interest, and penalty due as a result of an
31 adjustment by the taxpayer or a finally determined internal revenue
32 service adjustment must begin at the later of thirty days following the
33 final determination of the adjustment or the date of the filing of the
34 corrected return.

35 NEW SECTION. **Sec. 803.** DUE DATE FOR FILING A RETURN--EXTENSIONS--
36 INTEREST AND PENALTIES. The due date of a return required to be filed

1 with the department is the due date of the federal income tax return or
2 informational return for federal income tax purposes. The department
3 must have the authority to grant extensions of times by which returns
4 required to be filed by this title may be submitted. The department
5 must also have the authority to grant extensions of time to pay tax
6 with regard to taxes imposed by this title. Interest at the rate as
7 specified in RCW 82.32.050 accrues during any extension period and the
8 interest and penalty provisions of chapter 82.32 RCW apply to late
9 payments and deficiencies. Notwithstanding the limitation of RCW
10 82.32.090, in the case of the late filing of an informational return,
11 there is imposed a penalty the amount of which is established by the
12 department by rule. The penalty may not exceed fifty dollars per month
13 for a maximum of ten months. RCW 82.32.105 applies to this section.

14 NEW SECTION. **Sec. 804.** JOINT RETURN. (1) If the federal income
15 tax liabilities of both spouses are determined on a joint federal
16 return for the taxable year, they must file a joint return under this
17 title unless one spouse is a resident and the other is a nonresident.

18 (2) If neither spouse is required to file a federal income tax
19 return for the taxable year, a joint return may be filed under this
20 title under the same conditions under which a joint return may be filed
21 for purposes of the federal income tax.

22 (3) If the federal income tax liability of either spouse is
23 determined on a separate federal return for the taxable year, they must
24 file separate returns under this title.

25 (4) If one spouse is a resident and the other is a nonresident,
26 they must file separate returns under this title, unless they elect to
27 determine their tax liabilities under this title on a joint return as
28 if they were both residents, and:

29 (a) Their federal tax liability for the taxable year was determined
30 on a joint federal return; or

31 (b) Neither spouse has filed a federal income tax return for the
32 taxable year and they would be permitted to file a joint federal return
33 for the taxable year.

34 (5) In any case in which a joint return is filed under this
35 section, the liability of the husband and wife is joint and several,
36 unless the spouse is relieved of liability under section 6013 of the
37 internal revenue code.

1 NEW SECTION. **Sec. 805.** RECORDS--RETURNS. (1) Every taxpayer and
2 every person required to deduct and withhold the tax imposed under this
3 title must keep records, render statements, make returns, file reports,
4 and perform other acts as the department requires by rule. Each return
5 must be made under penalty of perjury and on forms prescribed by the
6 department. The department may require other statements and reports be
7 made under penalty of perjury and on forms prescribed by the
8 department. The department may require any taxpayer and any person
9 required to deduct and withhold the tax imposed under this title to
10 furnish to the department a correct copy of any return or document
11 which the taxpayer has filed with the internal revenue service or
12 received from the internal revenue service.

13 (2) All books and records and other papers and documents required
14 to be kept under this title are subject to inspection by the department
15 at all times during business hours of the day.

16 NEW SECTION. **Sec. 806.** ESTIMATION AGREEMENTS. The department may
17 reasonably estimate the items of business or nonbusiness income of a
18 taxpayer having an office within the state and one or more other states
19 or foreign countries which may be apportioned or allocated to the state
20 and may enter into estimation agreements with such taxpayers for the
21 determination of their liability for the tax imposed by this title.

22 NEW SECTION. **Sec. 807.** PROVISIONS OF INTERNAL REVENUE CODE
23 CONTROL. (1) To the extent possible without being inconsistent with
24 this title, all of the provisions of the internal revenue code relating
25 to the following subjects apply to the taxes imposed under this title:

- 26 (a) Time of payment of tax deducted and withheld under sections 301
27 through 306 of this act;
- 28 (b) Liability of transferees;
- 29 (c) Time and manner of making returns, extensions of time for
30 filing returns, verification of returns, and the time when a return is
31 deemed filed.

32 (2) The department by rule may provide modifications and exceptions
33 to the provisions listed in subsection (1) of this section, if
34 reasonably necessary to facilitate the prompt, efficient, and equitable
35 collection of tax under this title.

1 NEW SECTION. **Sec. 808.** REFUNDS OF OVERPAYMENTS--OTHER
2 ADMINISTRATIVE PROVISIONS. (1) The department must refund all taxes
3 improperly paid or collected.

4 (2) The following sections apply to the administration of taxes
5 imposed under this title: RCW 82.32.020, 82.32.050, 82.32.060,
6 82.32.070, 82.32.090, 82.32.100, 82.32.105, 82.32.110, 82.32.120,
7 82.32.130, 82.32.140, 82.32.150, 82.32.160, 82.32.170, 82.32.180,
8 82.32.190, 82.32.200, 82.32.210, 82.32.220, 82.32.230, 82.32.235,
9 82.32.237, 82.32.240, 82.32.245, 82.32.265, 82.32.300, 82.32.310,
10 82.32.320, 82.32.330, 82.32.340, 82.32.350, 82.32.360, and 82.32.380.

11 NEW SECTION. **Sec. 809.** RULES. The department may adopt rules
12 under chapter 34.05 RCW for the administration and enforcement of this
13 title. The rules, to the extent possible without being inconsistent
14 with this title, must follow the internal revenue code and the
15 regulations and rulings of the United States treasury department with
16 respect to the federal income tax. The department may adopt as a part
17 of these rules any portions of the internal revenue code and treasury
18 department regulations and rulings, in whole or in part.

19 **PART IX**
20 **APPEALS**

21 **Sec. 901.** RCW 82.03.130 and 2005 c 253 s 7 are each amended to
22 read as follows:

23 (1) The board shall have jurisdiction to decide the following types
24 of appeals:

25 (a) Appeals taken pursuant to RCW 82.03.190.

26 (b) Appeals from a county board of equalization pursuant to RCW
27 84.08.130.

28 (c) Appeals by an assessor or landowner from an order of the
29 director of revenue made pursuant to RCW 84.08.010 and 84.08.060, if
30 filed with the board of tax appeals within thirty days after the
31 mailing of the order, the right to such an appeal being hereby
32 established.

33 (d) Appeals by an assessor or owner of an intercounty public
34 utility or private car company from determinations by the director of
35 revenue of equalized assessed valuation of property and the

1 apportionment thereof to a county made pursuant to chapter 84.12 and
2 84.16 RCW, if filed with the board of tax appeals within thirty days
3 after mailing of the determination, the right to such appeal being
4 hereby established.

5 (e) Appeals by an assessor, landowner, or owner of an intercounty
6 public utility or private car company from a determination of any
7 county indicated ratio for such county compiled by the department of
8 revenue pursuant to RCW 84.48.075: PROVIDED, That

9 (i) Said appeal be filed after review of the ratio under RCW
10 84.48.075(3) and not later than fifteen days after the mailing of the
11 certification; and

12 (ii) The hearing before the board shall be expeditiously held in
13 accordance with rules prescribed by the board and shall take precedence
14 over all matters of the same character.

15 (f) Appeals from the decisions of sale price of second class
16 shorelands on navigable lakes by the department of natural resources
17 pursuant to RCW ((79.94.210)) 79.125.450.

18 (g) Appeals from urban redevelopment property tax apportionment
19 district proposals established by governmental ordinances pursuant to
20 RCW 39.88.060.

21 (h) Appeals from interest rates as determined by the department of
22 revenue for use in valuing farmland under current use assessment
23 pursuant to RCW 84.34.065.

24 (i) Appeals from revisions to stumpage value tables used to
25 determine value by the department of revenue pursuant to RCW 84.33.091.

26 (j) Appeals from denial of tax exemption application by the
27 department of revenue pursuant to RCW 84.36.850.

28 (k) Appeals pursuant to RCW 84.40.038(3).

29 (l) Appeals pursuant to RCW 84.39.020.

30 (m) Appeals relating to income tax deficiencies and refunds,
31 including penalties and interest, under Title 82A RCW (sections 101
32 through 809 of this act).

33 (2) Except as otherwise specifically provided by law hereafter, the
34 provisions of RCW 1.12.070 shall apply to all notices of appeal filed
35 with the board of tax appeals.

36 **Sec. 902.** RCW 82.03.140 and 2000 c 103 s 1 are each amended to
37 read as follows:

1 In all appeals over which the board has jurisdiction under RCW
2 82.03.130, a party taking an appeal may elect either a formal or an
3 informal hearing, such election to be made according to rules of
4 practice and procedure to be promulgated by the board: PROVIDED, That
5 nothing shall prevent the assessor or taxpayer, as a party to an appeal
6 pursuant to RCW 84.08.130, within twenty days from the date of the
7 receipt of the notice of appeal, from filing with the clerk of the
8 board notice of intention that the hearing be a formal one: PROVIDED,
9 HOWEVER, That nothing herein shall be construed to modify the
10 provisions of RCW 82.03.190: AND PROVIDED FURTHER, That upon an appeal
11 under RCW 82.03.130(1) (e) or (m), the director of revenue may, within
12 ten days from the date of its receipt of the notice of appeal, file
13 with the clerk of the board notice of its (~~intention that the hearing~~
14 ~~be held pursuant to chapter 34.05 RCW~~) election of a formal hearing.
15 In the event that appeals are taken from the same decision, order, or
16 determination, as the case may be, by different parties and only one of
17 such parties elects a formal hearing, a formal hearing shall be
18 granted.

19 **PART X**

20 **APPLICATION OF TAX TO PUBLIC PENSIONS**

21 **Sec. 1001.** RCW 2.10.180 and 1991 c 365 s 18 are each amended to
22 read as follows:

23 (1) Except as provided in subsections (2), (3), (~~and~~) (4), and
24 (5) of this section, the right of a person to a retirement allowance,
25 disability allowance, or death benefit, the retirement, disability or
26 death allowance itself, any optional benefit, any other right accrued
27 or accruing to any person under the provisions of this chapter, and the
28 moneys in the fund created under this chapter, are hereby exempt from
29 any state, county, municipal, or other local tax and shall not be
30 subject to execution, garnishment, or any other process of law
31 whatsoever.

32 (2) Subsection (1) of this section shall not be deemed to prohibit
33 a beneficiary of a retirement allowance from authorizing deductions
34 therefrom for payment of premiums due on any group insurance policy or
35 plan issued for the benefit of a group comprised of public employees of
36 the state of Washington.

1 (3) Deductions made in the past from retirement benefits are hereby
2 expressly recognized, ratified, and affirmed. Future deductions may
3 only be made in accordance with this section.

4 (4) Subsection (1) of this section shall not prohibit the
5 department of retirement systems from complying with (a) a wage
6 assignment order for child support issued pursuant to chapter 26.18
7 RCW, (b) a notice of payroll deduction issued under chapter 26.23 RCW,
8 (c) an order to withhold and deliver issued pursuant to chapter 74.20A
9 RCW, (d) a mandatory benefits assignment order issued pursuant to
10 chapter 41.50 RCW, (e) a court order directing the department of
11 retirement systems to pay benefits directly to an obligee under a
12 dissolution order as defined in RCW 41.50.500(3) which fully complies
13 with RCW 41.50.670 and 41.50.700, or (f) any administrative or court
14 order expressly authorized by federal law.

15 (5) Subsection (1) of this section does not exempt any pension or
16 other benefit received under this chapter from tax under Title 82A RCW
17 (sections 101 through 809 of this act), nor does it prohibit the
18 department of retirement systems from complying with the tax
19 withholding requirements of that title.

20 **Sec. 1002.** RCW 2.12.090 and 1991 c 365 s 19 are each amended to
21 read as follows:

22 (1) Except as provided in subsections (2), (3), ~~((and))~~ (4), and
23 (5) of this section, the right of any person to a retirement allowance
24 or optional retirement allowance under the provisions of this chapter
25 and all moneys and investments and income thereof are exempt from any
26 state, county, municipal, or other local tax and shall not be subject
27 to execution, garnishment, attachment, the operation of bankruptcy or
28 the insolvency laws, or other processes of law whatsoever and shall be
29 unassignable except as herein specifically provided.

30 (2) Subsection (1) of this section shall not prohibit the
31 department of retirement systems from complying with (a) a wage
32 assignment order for child support issued pursuant to chapter 26.18
33 RCW, (b) a notice of payroll deduction issued under chapter 26.23 RCW,
34 (c) an order to withhold and deliver issued pursuant to chapter 74.20A
35 RCW, (d) a mandatory benefits assignment order issued pursuant to
36 chapter 41.50 RCW, (e) a court order directing the department of
37 retirement systems to pay benefits directly to an obligee under a

1 dissolution order as defined in RCW 41.50.500(3) which fully complies
2 with RCW 41.50.670 and 41.50.700, or (f) any administrative or court
3 order expressly authorized by federal law.

4 (3) Subsection (1) of this section shall not be deemed to prohibit
5 a beneficiary of a retirement allowance from authorizing deductions
6 therefrom for payment of premiums due on any group insurance policy or
7 plan issued for the benefit of a group comprised of public employees of
8 the state of Washington.

9 (4) Deductions made in the past from retirement benefits are hereby
10 expressly recognized, ratified, and affirmed. Future deductions may
11 only be made in accordance with this section.

12 (5) Subsection (1) of this section does not exempt any pension or
13 other benefit received under this chapter from tax under Title 82A RCW
14 (sections 101 through 809 of this act), nor does it prohibit the
15 department of retirement systems from complying with the tax
16 withholding requirements of that title.

17 **Sec. 1003.** RCW 6.13.030 and 2007 c 429 s 1 are each amended to
18 read as follows:

19 A homestead may consist of lands, as described in RCW 6.13.010,
20 regardless of area, but the homestead exemption amount shall not exceed
21 the lesser of (1) the total net value of the lands, manufactured homes,
22 mobile home, improvements, and other personal property, as described in
23 RCW 6.13.010, or (2) the sum of one hundred twenty-five thousand
24 dollars in the case of lands, manufactured homes, mobile home, and
25 improvements, or the sum of fifteen thousand dollars in the case of
26 other personal property described in RCW 6.13.010(~~(, except where the~~
27 ~~homestead is subject to execution, attachment, or seizure by or under~~
28 ~~any legal process whatever to satisfy a judgment in favor of any state~~
29 ~~for failure to pay that state's income tax on benefits received while~~
30 ~~a resident of the state of Washington from a pension or other~~
31 ~~retirement plan, in which event there shall be no dollar limit on the~~
32 ~~value of the exemption)).~~

33 **Sec. 1004.** RCW 6.15.020 and 2007 c 492 s 1 are each amended to
34 read as follows:

35 (1) It is the policy of the state of Washington to ensure the well-
36 being of its citizens by protecting retirement income to which they are

1 or may become entitled. For that purpose generally and pursuant to the
2 authority granted to the state of Washington under 11 U.S.C. Sec.
3 522(b)(2), the exemptions in this section relating to retirement
4 benefits are provided.

5 (2) Unless otherwise provided by federal law, any money received by
6 any citizen of the state of Washington as a pension from the government
7 of the United States, whether the same be in the actual possession of
8 such person or be deposited or loaned, shall be exempt from execution,
9 attachment, garnishment, or seizure by or under any legal process
10 whatever, and when a debtor dies, or absconds, and leaves his or her
11 family any money exempted by this subsection, the same shall be exempt
12 to the family as provided in this subsection. This subsection shall
13 not apply to child support collection actions issued under chapter
14 26.18, 26.23, or 74.20A RCW, if otherwise permitted by federal law, or
15 to collection actions for taxes imposed under Title 82A RCW (sections
16 101 through 809 of this act).

17 (3) The right of a person to a pension, annuity, or retirement
18 allowance or disability allowance, or death benefits, or any optional
19 benefit, or any other right accrued or accruing to any citizen of the
20 state of Washington under any employee benefit plan, and any fund
21 created by such a plan or arrangement, shall be exempt from execution,
22 attachment, garnishment, or seizure by or under any legal process
23 whatever. This subsection shall not apply to child support collection
24 actions issued under chapter 26.18, 26.23, or 74.20A RCW if otherwise
25 permitted by federal law, or to collection actions for taxes imposed
26 under Title 82A RCW (sections 101 through 809 of this act). This
27 subsection shall permit benefits under any such plan or arrangement to
28 be payable to a spouse, former spouse, child, or other dependent of a
29 participant in such plan to the extent expressly provided for in a
30 qualified domestic relations order that meets the requirements for such
31 orders under the plan, or, in the case of benefits payable under a plan
32 described in sections 403(b) or 408 of the internal revenue code of
33 1986, as amended, or section 409 of such code as in effect before
34 January 1, 1984, to the extent provided in any order issued by a court
35 of competent jurisdiction that provides for maintenance or support.
36 This subsection shall not prohibit actions against an employee benefit
37 plan, or fund for valid obligations incurred by the plan or fund for
38 the benefit of the plan or fund.

1 (4) For the purposes of this section, the term "employee benefit
2 plan" means any plan or arrangement that is described in RCW 49.64.020,
3 including any Keogh plan, whether funded by a trust or by an annuity
4 contract, and in sections 401(a) or 403(a) of the internal revenue code
5 of 1986, as amended; or that is a tax-sheltered annuity described in
6 section 403(b) of such code or an individual retirement account
7 described in section 408 of such code; or a Roth individual retirement
8 account described in section 408A of such code; or a medical savings
9 account described in section 220 of such code; or an education
10 individual retirement account described in section 530 of such code; or
11 a retirement bond described in section 409 of such code as in effect
12 before January 1, 1984. The term "employee benefit plan" also means
13 any rights accruing on account of money paid currently or in advance
14 for purchase of tuition units under the advanced college tuition
15 payment program in chapter 28B.95 RCW. The term "employee benefit
16 plan" shall not include any employee benefit plan that is established
17 or maintained for its employees by the government of the United States,
18 by the state of Washington under chapter 2.10, 2.12, 41.26, 41.32,
19 41.34, 41.35, 41.37, 41.40, or 43.43 RCW or RCW 41.50.770, or by any
20 agency or instrumentality of the government of the United States.

21 (5) An employee benefit plan shall be deemed to be a spendthrift
22 trust, regardless of the source of funds, the relationship between the
23 trustee or custodian of the plan and the beneficiary, or the ability of
24 the debtor to withdraw or borrow or otherwise become entitled to
25 benefits from the plan before retirement. This subsection shall not
26 apply to child support collection actions issued under chapter 26.18,
27 26.23, or 74.20A RCW, if otherwise permitted by federal law, or to
28 collection actions for taxes imposed under Title 82A RCW (sections 101
29 through 809 of this act). This subsection shall permit benefits under
30 any such plan or arrangement to be payable to a spouse, former spouse,
31 child, or other dependent of a participant in such plan to the extent
32 expressly provided for in a qualified domestic relations order that
33 meets the requirements for such orders under the plan, or, in the case
34 of benefits payable under a plan described in sections 403(b) or 408 of
35 the internal revenue code of 1986, as amended, or section 409 of such
36 code as in effect before January 1, 1984, to the extent provided in any
37 order issued by a court of competent jurisdiction that provides for
38 maintenance or support.

1 (6) Unless contrary to applicable federal law, nothing contained in
2 subsection (3), (4), or (5) of this section shall be construed as a
3 termination or limitation of a spouse's community property interest in
4 an individual retirement account held in the name of or on account of
5 the other spouse, the account holder spouse. At the death of the
6 nonaccount holder spouse, the nonaccount holder spouse may transfer or
7 distribute the community property interest of the nonaccount holder
8 spouse in the account holder spouse's individual retirement account to
9 the nonaccount holder spouse's estate, testamentary trust, inter vivos
10 trust, or other successor or successors pursuant to the last will of
11 the nonaccount holder spouse or the law of intestate succession, and
12 that distributee may, but shall not be required to, obtain an order of
13 a court of competent jurisdiction, including a nonjudicial dispute
14 resolution agreement or other order entered under chapter 11.96A RCW,
15 to confirm the distribution. For purposes of subsection (3) of this
16 section, the distributee of the nonaccount holder spouse's community
17 property interest in an individual retirement account shall be
18 considered a person entitled to the full protection of subsection (3)
19 of this section. The nonaccount holder spouse's consent to a
20 beneficiary designation by the account holder spouse with respect to an
21 individual retirement account shall not, absent clear and convincing
22 evidence to the contrary, be deemed a release, gift, relinquishment,
23 termination, limitation, or transfer of the nonaccount holder spouse's
24 community property interest in an individual retirement account. For
25 purposes of this subsection, the term "nonaccount holder spouse" means
26 the spouse of the person in whose name the individual retirement
27 account is maintained. The term "individual retirement account"
28 includes an individual retirement account and an individual retirement
29 annuity both as described in section 408 of the internal revenue code
30 of 1986, as amended, a Roth individual retirement account as described
31 in section 408A of the internal revenue code of 1986, as amended, and
32 an individual retirement bond as described in section 409 of the
33 internal revenue code as in effect before January 1, 1984. As used in
34 this subsection, an order of a court of competent jurisdiction includes
35 an agreement, as that term is used under RCW 11.96A.220.

36 **Sec. 1005.** RCW 41.24.240 and 1995 c 11 s 13 are each amended to
37 read as follows:

1 (1) The right of any person to any future payment under the
2 provisions of this chapter shall not be transferable or assignable at
3 law or in equity, and none of the moneys paid or payable or the rights
4 existing under this chapter, shall be subject to execution, levy,
5 attachment, garnishment, or other legal process, or to the operation of
6 any bankruptcy or insolvency law. This section shall not be applicable
7 to any child support collection action taken under chapter 26.18,
8 26.23, or 74.20A RCW. Benefits under this chapter shall be payable to
9 a spouse or ex-spouse to the extent expressly provided for in any court
10 decree of dissolution or legal separation or in any court order or
11 court-approved property settlement agreement incident to any court
12 decree of dissolution or legal separation.

13 (2) Nothing in this chapter shall be construed to deprive any
14 participant, eligible to receive a pension hereunder, from receiving a
15 pension under any other act to which that participant may become
16 eligible by reason of services other than or in addition to his or her
17 services under this chapter.

18 (3) Subsection (1) of this section does not exempt any pension or
19 other benefit received under this chapter from tax under Title 82A RCW
20 (sections 101 through 809 of this act), nor does it prohibit the
21 department of retirement systems from complying with the tax
22 withholding requirements of that title.

23 **Sec. 1006.** RCW 41.32.052 and 1991 c 365 s 21 and 1991 c 35 s 63
24 are each reenacted and amended to read as follows:

25 (1) Subject to subsections (2) (~~and~~), (3), and (4) of this
26 section, the right of a person to a pension, an annuity, a retirement
27 allowance, or disability allowance, to the return of contributions, any
28 optional benefit or death benefit, any other right accrued or accruing
29 to any person under the provisions of this chapter and the moneys in
30 the various funds created by this chapter shall be unassignable, and
31 are hereby exempt from any state, county, municipal or other local tax,
32 and shall not be subject to execution, garnishment, attachment, the
33 operation of bankruptcy or insolvency laws, or other process of law
34 whatsoever.

35 (2) This section shall not be deemed to prohibit a beneficiary of
36 a retirement allowance who is eligible:

1 (a) Under RCW 41.05.080 from authorizing monthly deductions
2 therefrom for payment of premiums due on any group insurance policy or
3 plan issued for the benefit of a group comprised of public employees of
4 the state of Washington or its political subdivisions;

5 (b) Under a group health care benefit plan approved pursuant to RCW
6 28A.400.350 or 41.05.065 from authorizing monthly deductions therefrom,
7 of the amount or amounts of subscription payments, premiums, or
8 contributions to any person, firm, or corporation furnishing or
9 providing medical, surgical, and hospital care or other health care
10 insurance; or

11 (c) Under this system from authorizing monthly deductions therefrom
12 for payment of dues and other membership fees to any retirement
13 association composed of retired teachers and/or public employees
14 pursuant to a written agreement between the director and the retirement
15 association.

16 Deductions under (a) and (b) of this subsection shall be made in
17 accordance with rules that may be adopted by the director.

18 (3) Subsection (1) of this section shall not prohibit the
19 department from complying with (a) a wage assignment order for child
20 support issued pursuant to chapter 26.18 RCW, (b) an order to withhold
21 and deliver issued pursuant to chapter 74.20A RCW, (c) a notice of
22 payroll deduction issued pursuant to RCW 26.23.060, (d) a mandatory
23 benefits assignment order issued by the department, (e) a court order
24 directing the department of retirement systems to pay benefits directly
25 to an obligee under a dissolution order as defined in RCW 41.50.500(3)
26 which fully complies with RCW 41.50.670 and 41.50.700, or (f) any
27 administrative or court order expressly authorized by federal law.

28 (4) Subsection (1) of this section does not exempt any pension or
29 other benefit received under this chapter from tax under Title 82A RCW
30 (sections 101 through 809 of this act), nor does it prohibit the
31 department of retirement systems from complying with the tax
32 withholding requirements of that title.

33 **Sec. 1007.** RCW 41.35.100 and 1998 c 341 s 11 are each amended to
34 read as follows:

35 (1) Subject to subsections (2) (~~and~~), (3), and (4) of this
36 section, the right of a person to a pension, an annuity, or retirement
37 allowance, any optional benefit, any other right accrued or accruing to

1 any person under the provisions of this chapter, the various funds
2 created by this chapter, and all moneys and investments and income
3 thereof, are hereby exempt from any state, county, municipal, or other
4 local tax, and shall not be subject to execution, garnishment,
5 attachment, the operation of bankruptcy or insolvency laws, or other
6 process of law whatsoever, and shall be unassignable.

7 (2) This section does not prohibit a beneficiary of a retirement
8 allowance from authorizing deductions therefrom for payment of premiums
9 due on any group insurance policy or plan issued for the benefit of a
10 group comprised of public employees of the state of Washington or its
11 political subdivisions and which has been approved for deduction in
12 accordance with rules that may be adopted by the state health care
13 authority and/or the department. This section also does not prohibit
14 a beneficiary of a retirement allowance from authorizing deductions
15 therefrom for payment of dues and other membership fees to any
16 retirement association or organization the membership of which is
17 composed of retired public employees, if a total of three hundred or
18 more of such retired employees have authorized such deduction for
19 payment to the same retirement association or organization.

20 (3) Subsection (1) of this section does not prohibit the department
21 from complying with (a) a wage assignment order for child support
22 issued pursuant to chapter 26.18 RCW, (b) an order to withhold and
23 deliver issued pursuant to chapter 74.20A RCW, (c) a notice of payroll
24 deduction issued pursuant to RCW 26.23.060, (d) a mandatory benefits
25 assignment order issued by the department, (e) a court order directing
26 the department of retirement systems to pay benefits directly to an
27 obligee under a dissolution order as defined in RCW 41.50.500(3) which
28 fully complies with RCW 41.50.670 and 41.50.700, or (f) any
29 administrative or court order expressly authorized by federal law.

30 (4) Subsection (1) of this section does not exempt any pension or
31 other benefit received under this chapter from tax under Title 82A RCW
32 (sections 101 through 809 of this act), nor does it prohibit the
33 department of retirement systems from complying with the tax
34 withholding requirements of that title.

35 **Sec. 1008.** RCW 41.40.052 and 1999 c 83 s 1 are each amended to
36 read as follows:

37 (1) Subject to subsections (2) ~~((and))~~, (3), and (4) of this

1 section, the right of a person to a pension, an annuity, or retirement
2 allowance, any optional benefit, any other right accrued or accruing to
3 any person under the provisions of this chapter, the various funds
4 created by this chapter, and all moneys and investments and income
5 thereof, are hereby exempt from any state, county, municipal, or other
6 local tax, and shall not be subject to execution, garnishment,
7 attachment, the operation of bankruptcy or insolvency laws, or other
8 process of law whatsoever, and shall be unassignable.

9 (2)(a) This section shall not be deemed to prohibit a beneficiary
10 of a retirement allowance from authorizing deductions therefrom for
11 payment of premiums due on any group insurance policy or plan issued
12 for the benefit of a group comprised of public employees of the state
13 of Washington or its political subdivisions and which has been approved
14 for deduction in accordance with rules that may be adopted by the state
15 health care authority and/or the department, and this section shall not
16 be deemed to prohibit a beneficiary of a retirement allowance from
17 authorizing deductions therefrom for payment of dues and other
18 membership fees to any retirement association or organization the
19 membership of which is composed of retired public employees, if a total
20 of three hundred or more of such retired employees have authorized such
21 deduction for payment to the same retirement association or
22 organization.

23 (b) This section does not prohibit a beneficiary of a retirement
24 allowance from authorizing deductions from that allowance for
25 charitable purposes on the same terms as employees and public officers
26 under RCW 41.04.035 and 41.04.036.

27 (3) Subsection (1) of this section shall not prohibit the
28 department from complying with (a) a wage assignment order for child
29 support issued pursuant to chapter 26.18 RCW, (b) an order to withhold
30 and deliver issued pursuant to chapter 74.20A RCW, (c) a notice of
31 payroll deduction issued pursuant to RCW 26.23.060, (d) a mandatory
32 benefits assignment order issued by the department, (e) a court order
33 directing the department of retirement systems to pay benefits directly
34 to an obligee under a dissolution order as defined in RCW 41.50.500(3)
35 which fully complies with RCW 41.50.670 and 41.50.700, or (f) any
36 administrative or court order expressly authorized by federal law.

37 (4) Subsection (1) of this section does not exempt any pension or
38 other benefit received under this chapter from tax under Title 82A RCW

1 (sections 101 through 809 of this act), nor does it prohibit the
2 department of retirement systems from complying with the tax
3 withholding requirements of that title.

4 **Sec. 1009.** RCW 41.44.240 and 1989 c 360 s 28 are each amended to
5 read as follows:

6 (1) The right of a person to a pension, annuity or a retirement
7 allowance, to the return of contribution, the pension, annuity or
8 retirement allowance itself, any optional benefit, any other right
9 accrued or accruing to any person under the provisions of this chapter,
10 and the moneys in the fund created under this chapter shall not be
11 subject to execution, garnishment, or any other process whatsoever.

12 (2) This section shall not apply to child support collection
13 actions taken under chapter 26.18, 26.23, or 74.20A RCW against
14 benefits payable under any such plan or arrangement. Benefits under
15 this chapter shall be payable to a spouse or ex-spouse to the extent
16 expressly provided for in any court decree of dissolution or legal
17 separation or in any court order or court-approved property settlement
18 agreement incident to any court decree of dissolution or legal
19 separation.

20 (3) Subsection (1) of this section does not exempt any pension or
21 other benefit received under this chapter from tax under Title 82A RCW
22 (sections 101 through 809 of this act), nor does it prohibit the
23 department of retirement systems from complying with the tax
24 withholding requirements of that title.

25 **Sec. 1010.** RCW 41.26.053 and 1991 c 365 s 20 and 1991 c 35 s 25
26 are each reenacted and amended to read as follows:

27 (1) Subject to subsections (2) (~~and~~), (3), and (4) of this
28 section, the right of a person to a retirement allowance, disability
29 allowance, or death benefit, to the return of accumulated
30 contributions, the retirement, disability or death allowance itself,
31 any optional benefit, any other right accrued or accruing to any person
32 under the provisions of this chapter, and the moneys in the fund
33 created under this chapter, are hereby exempt from any state, county,
34 municipal, or other local tax and shall not be subject to execution,
35 garnishment, attachment, the operation of bankruptcy or insolvency

1 laws, or any other process of law whatsoever, and shall be
2 unassignable.

3 (2) On the written request of any person eligible to receive
4 benefits under this section, the department may deduct from such
5 payments the premiums for life, health, or other insurance. The
6 request on behalf of any child or children shall be made by the legal
7 guardian of such child or children. The department may provide for
8 such persons one or more plans of group insurance, through contracts
9 with regularly constituted insurance carriers or health care service
10 contractors.

11 (3) Subsection (1) of this section shall not prohibit the
12 department from complying with (a) a wage assignment order for child
13 support issued pursuant to chapter 26.18 RCW, (b) an order to withhold
14 and deliver issued pursuant to chapter 74.20A RCW, (c) a notice of
15 payroll deduction issued pursuant to RCW 26.23.060, (d) a mandatory
16 benefits assignment order issued by the department, (e) a court order
17 directing the department of retirement systems to pay benefits directly
18 to an obligee under a dissolution order as defined in RCW 41.50.500(3)
19 which fully complies with RCW 41.50.670 and 41.50.700, or (f) any
20 administrative or court order expressly authorized by federal law.

21 (4) Subsection (1) of this section does not exempt any pension or
22 other benefit received under this chapter from tax under Title 82A RCW
23 (sections 101 through 809 of this act), nor does it prohibit the
24 department of retirement systems from complying with the tax
25 withholding requirements of that title.

26 **Sec. 1011.** RCW 43.43.310 and 1991 c 365 s 23 are each amended to
27 read as follows:

28 (1) Except as provided in subsections (2) (~~and~~), (3), and (4) of
29 this section, the right of any person to a retirement allowance or
30 optional retirement allowance under the provisions hereof and all
31 moneys and investments and income thereof are exempt from any state,
32 county, municipal, or other local tax and shall not be subject to
33 execution, garnishment, attachment, the operation of bankruptcy or the
34 insolvency laws, or other processes of law whatsoever and shall be
35 unassignable except as herein specifically provided.

36 (2) Subsection (1) of this section shall not prohibit the
37 department of retirement systems from complying with (a) a wage

1 assignment order for child support issued pursuant to chapter 26.18
2 RCW, (b) an order to withhold and deliver issued pursuant to chapter
3 74.20A RCW, (c) a notice of payroll deduction issued pursuant to RCW
4 26.23.060, (d) a mandatory benefits assignment order issued pursuant to
5 chapter 41.50 RCW, (e) a court order directing the department of
6 retirement systems to pay benefits directly to an obligee under a
7 dissolution order as defined in RCW 41.50.500(3) which fully complies
8 with RCW 41.50.670 and 41.50.700, or (f) any administrative or court
9 order expressly authorized by federal law.

10 (3) Subsection (1) of this section shall not be deemed to prohibit
11 a beneficiary of a retirement allowance from authorizing deductions
12 therefrom for payment of premiums due on any group insurance policy or
13 plan issued for the benefit of a group comprised of members of the
14 Washington state patrol or other public employees of the state of
15 Washington, or for contributions to the Washington state patrol
16 memorial foundation.

17 (4) Subsection (1) of this section does not exempt any pension or
18 other benefit received under this chapter from tax under Title 82A RCW
19 (sections 101 through 809 of this act), nor does it prohibit the
20 department of retirement systems from complying with the tax
21 withholding requirements of that title.

22 NEW SECTION. Sec. 1012. RCW 6.15.025 (Exemption of pension or
23 retirement plan benefits from execution for judgment for out-of-state
24 income tax) and 1991 c 123 s 3 are each repealed.

25 **PART XI**

26 **REDUCING THE STATE SALES TAX**

27 **Sec. 1101.** RCW 82.08.020 and 2006 c 1 s 3 are each amended to read
28 as follows:

29 (1) There is levied and there shall be collected a tax on each
30 retail sale in this state equal to (~~six~~) three and five-tenths
31 percent of the selling price.

32 (2) There is levied and there shall be collected an additional tax
33 on each retail car rental, regardless of whether the vehicle is
34 licensed in this state, equal to five and nine-tenths percent of the

1 selling price. The revenue collected under this subsection shall be
2 deposited in the multimodal transportation account created in RCW
3 47.66.070.

4 (3) Beginning July 1, 2003, there is levied and collected an
5 additional tax of three-tenths of one percent of the selling price on
6 each retail sale of a motor vehicle in this state, other than retail
7 car rentals taxed under subsection (2) of this section. The revenue
8 collected under this subsection shall be deposited in the multimodal
9 transportation account created in RCW 47.66.070.

10 (4) For purposes of subsection (3) of this section, "motor vehicle"
11 has the meaning provided in RCW 46.04.320, but does not include farm
12 tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181,
13 off-road and nonhighway vehicles as defined in RCW 46.09.020, and
14 snowmobiles as defined in RCW 46.10.010.

15 (5) Beginning on December 8, 2005, 0.16 percent of the taxes
16 collected under subsection (1) of this section shall be dedicated to
17 funding comprehensive performance audits required under RCW 43.09.470.
18 The revenue identified in this subsection shall be deposited in the
19 performance audits of government account created in RCW 43.09.475.

20 (6) The taxes imposed under this chapter shall apply to successive
21 retail sales of the same property.

22 (7) The rates provided in this section apply to taxes imposed under
23 chapter 82.12 RCW as provided in RCW 82.12.020.

24 **PART XII**

25 **ELIMINATING THE STATE PROPERTY TAX**

26 **Sec. 1201.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended
27 to read as follows:

28 Subject to the limitations in RCW 84.55.010, in each year through
29 calendar year 2009 the state shall levy for collection in the following
30 year for the support of common schools of the state a tax of three
31 dollars and sixty cents per thousand dollars of assessed value upon the
32 assessed valuation of all taxable property within the state adjusted to
33 the state equalized value in accordance with the indicated ratio fixed
34 by the state department of revenue. The state may not levy a tax for
35 collection in calendar year 2011.

1 As used in this section, "the support of common schools" includes
2 the payment of the principal and interest on bonds issued for capital
3 construction projects for the common schools.

4 **Sec. 1202.** RCW 84.52.068 and 2005 c 514 s 1104 are each amended to
5 read as follows:

6 (1) A portion of the proceeds of the state property tax levy
7 through calendar year 2010 and the state income tax beginning in
8 calendar year 2011 shall be deposited into the student achievement fund
9 as provided in this section.

10 (2)(a) The amount of the deposit shall be based upon the average
11 number of full-time equivalent students in the school districts during
12 the previous school year as reported to the office of the
13 superintendent of public instruction by August 31st of the previous
14 school year.

15 (b) For the 2004-2005 through 2007-2008 school years, an annual
16 amount equal to two hundred fifty-four dollars per full-time equivalent
17 student in all school districts shall be deposited in the student
18 achievement fund.

19 (c) For the 2008-2009 school year, an annual amount equal to two
20 hundred sixty-five dollars per full-time equivalent student in all
21 school districts shall be deposited in the student achievement fund.

22 (d) For the 2009-2010 school year, an annual amount equal to two
23 hundred seventy-seven dollars per full-time equivalent student in all
24 school districts shall be deposited in the student achievement fund.

25 (e) For the 2010-2011 school year and each year thereafter, an
26 annual amount equal to two hundred seventy-eight dollars per full-time
27 equivalent student in all school districts shall be deposited in the
28 student achievement fund.

29 (f) The school district annual amounts shall be deposited based on
30 the monthly apportionment schedule as defined in RCW 28A.510.250. The
31 office of the superintendent of public instruction shall notify the
32 department of the monthly amounts to be deposited into the student
33 achievement fund to meet the apportionment schedule.

34 **Sec. 1203.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to
35 read as follows:

1 Within and subject to the limitations imposed by RCW 84.52.050 as
2 amended, the regular ad valorem tax levies upon real and personal
3 property by the taxing districts hereafter named shall be as follows:

4 (1) Levies of the senior taxing districts shall be as follows: (a)
5 ~~((The levy by the state shall not exceed three dollars and sixty cents~~
6 ~~per thousand dollars of assessed value adjusted to the state equalized~~
7 ~~value in accordance with the indicated ratio fixed by the state~~
8 ~~department of revenue to be used exclusively for the support of the~~
9 ~~common schools; (b))~~ The levy by any county shall not exceed one
10 dollar and eighty cents per thousand dollars of assessed value; ~~((+e))~~
11 (b) the levy by any road district shall not exceed two dollars and
12 twenty-five cents per thousand dollars of assessed value; and ~~((+d))~~
13 (c) the levy by any city or town shall not exceed three dollars and
14 thirty-seven and one-half cents per thousand dollars of assessed value.
15 However any county is hereby authorized to increase its levy from one
16 dollar and eighty cents to a rate not to exceed two dollars and forty-
17 seven and one-half cents per thousand dollars of assessed value for
18 general county purposes if the total levies for both the county and any
19 road district within the county do not exceed four dollars and five
20 cents per thousand dollars of assessed value, and no other taxing
21 district has its levy reduced as a result of the increased county levy.

22 (2) The aggregate levies of junior taxing districts and senior
23 taxing districts ~~((, other than the state, shall))~~ may not exceed five
24 dollars and ninety cents per thousand dollars of assessed valuation.
25 The term "junior taxing districts" includes all taxing districts other
26 than the state, counties, road districts, cities, towns, port
27 districts, and public utility districts. The limitations provided in
28 this subsection shall not apply to: (a) Levies at the rates provided
29 by existing law by or for any port or public utility district; (b)
30 excess property tax levies authorized in Article VII, section 2 of the
31 state Constitution; (c) levies for acquiring conservation futures as
32 authorized under RCW 84.34.230; (d) levies for emergency medical care
33 or emergency medical services imposed under RCW 84.52.069; (e) levies
34 to finance affordable housing for very low-income housing imposed under
35 RCW 84.52.105; (f) the portions of levies by metropolitan park
36 districts that are protected under RCW 84.52.120; (g) levies imposed by
37 ferry districts under RCW 36.54.130; (h) levies for criminal justice

1 purposes under RCW 84.52.135; and (i) the portions of levies by fire
2 protection districts that are protected under RCW 84.52.125.

3 **Sec. 1204.** RCW 84.52.050 and 1973 1st ex.s. c 194 s 1 are each
4 amended to read as follows:

5 (1) Except as hereinafter provided, the aggregate of all tax levies
6 upon real and personal property by the state and all taxing districts,
7 now existing or hereafter created, (~~(shall)~~) may not in any year exceed
8 (~~(one percentum)~~) sixty-four one-hundredths of one percent of the true
9 and fair value of such property in money(~~(÷—PROVIDED, HOWEVER, That)~~).

10 (2) Nothing herein shall prevent levies at the rates now provided
11 by law by or for any port or public utility district. The term "taxing
12 district" for the purposes of this section shall mean any political
13 subdivision, municipal corporation, district, or other governmental
14 agency authorized by law to levy, or have levied for it, ad valorem
15 taxes on property, other than a port or public utility district. Such
16 aggregate limitation or any specific limitation imposed by law in
17 conformity therewith may be exceeded only as authorized by law and in
18 conformity with the provisions of Article VII, section 2(a), (b), or
19 (c) of the Constitution of the state of Washington.

20 (3) Nothing herein contained shall prohibit the legislature from
21 allocating or reallocating the authority to levy taxes between the
22 taxing districts of the state and its political subdivisions in a
23 manner which complies with the aggregate tax limitation set forth in
24 this section.

25 **Sec. 1205.** RCW 36.58.150 and 1984 c 186 s 25 are each amended to
26 read as follows:

27 (1) A solid waste disposal district shall not have the power to
28 levy an annual levy without voter approval, but it shall have the power
29 to levy a tax, in excess of the (~~(one percent)~~) limitation in RCW
30 84.52.050, upon the property within the district for a one year period
31 to be used for operating or capital purposes whenever authorized by the
32 electors of the district pursuant to RCW 84.52.052 and Article VII,
33 section 2(a) of the state Constitution.

34 A solid waste disposal district may issue general obligation bonds
35 for capital purposes only, subject to the limitations prescribed in RCW
36 39.36.020(1), and may provide for the retirement of the bonds by voter-

1 approved bond retirement tax levies pursuant to Article VII, section
2 2(b) of the state Constitution and RCW 84.52.056. Such general
3 obligation bonds shall be issued and sold in accordance with chapter
4 39.46 RCW.

5 A solid waste disposal district may issue revenue bonds to fund its
6 activities. Such revenue bonds may be in any form, including bearer
7 bonds or registered bonds as provided in RCW 39.46.030.

8 (2) Notwithstanding subsection (1) of this section, such revenue
9 bonds may be issued and sold in accordance with chapter 39.46 RCW.

10 **Sec. 1206.** RCW 36.60.040 and 1983 c 303 s 11 are each amended to
11 read as follows:

12 A county rail district is not authorized to impose a regular ad
13 valorem property tax levy but may:

14 (1) Levy an ad valorem property tax, in excess of the (~~one~~
15 ~~percent~~) limitation in RCW 84.52.050, upon the property within the
16 district for a one-year period to be used for operating or capital
17 purposes whenever authorized by the voters of the district pursuant to
18 RCW 84.52.052 and Article VII, section 2(a) of the state Constitution.

19 (2) Provide for the retirement of voter approved general obligation
20 bonds, issued for capital purposes only, by levying bond retirement ad
21 valorem property tax levies, in excess of the one percent limitation,
22 whenever authorized by the voters of the district pursuant to Article
23 VII, section 2(b) of the state Constitution and RCW 84.52.056.

24 **Sec. 1207.** RCW 36.69.145 and 1994 c 156 s 3 are each amended to
25 read as follows:

26 (1) A park and recreation district may impose regular property tax
27 levies in an amount equal to sixty cents or less per thousand dollars
28 of assessed value of property in the district in each year for six
29 consecutive years when specifically authorized so to do by a majority
30 of at least three-fifths of the voters thereof approving a proposition
31 authorizing the levies submitted at a special election or at the
32 regular election of the district, at which election the number of
33 voters voting "yes" on the proposition shall constitute three-fifths of
34 a number equal to forty per centum of the number of voters voting in
35 such district at the last preceding general election when the number of
36 voters voting on the proposition does not exceed forty per centum of

1 the number of voters voting in such taxing district in the last
2 preceding general election; or by a majority of at least three-fifths
3 of the voters thereof voting on the proposition if the number of voters
4 voting on the proposition exceeds forty per centum of the number of
5 voters voting in such taxing district in the last preceding general
6 election. A proposition authorizing the tax levies shall not be
7 submitted by a park and recreation district more than twice in any
8 twelve-month period. Ballot propositions shall conform with RCW
9 (~~29.30.111~~) 29A.36.210. In the event a park and recreation district
10 is levying property taxes, which in combination with property taxes
11 levied by other taxing districts subject to the (~~one percent~~)
12 limitation provided for in (~~Article 7, section 2, of our state~~
13 ~~Constitution~~) RCW 84.52.050 that result in taxes in excess of the
14 limitation provided for in RCW 84.52.043, the park and recreation
15 district property tax levy shall be reduced or eliminated before the
16 property tax levies of other taxing districts are reduced.

17 (2) The limitation in RCW 84.55.010 shall not apply to the first
18 levy imposed under this section following the approval of the levies by
19 the voters under subsection (1) of this section.

20 **Sec. 1208.** RCW 36.73.060 and 2005 c 336 s 6 are each amended to
21 read as follows:

22 (1) A district may levy an ad valorem property tax in excess of the
23 (~~one percent~~) limitation in RCW 84.52.050 upon the property within
24 the district for a one-year period whenever authorized by the voters of
25 the district pursuant to RCW 84.52.052 and Article VII, section 2(a) of
26 the state Constitution.

27 (2) A district may provide for the retirement of voter-approved
28 general obligation bonds, issued for capital purposes only, by levying
29 bond retirement ad valorem property tax levies in excess of the one
30 percent limitation whenever authorized by the voters of the district
31 pursuant to Article VII, section 2(b) of the state Constitution and RCW
32 84.52.056.

33 **Sec. 1209.** RCW 36.83.030 and 1983 c 130 s 3 are each amended to
34 read as follows:

35 (1) A service district may levy an ad valorem property tax, in
36 excess of the (~~one percent~~) limitation in RCW 84.52.050, upon the

1 property within the district for a one-year period whenever authorized
2 by the voters of the district pursuant to RCW 84.52.052 and Article
3 VII, section 2(a) of the state Constitution.

4 (2) A service district may provide for the retirement of voter
5 approved general obligation bonds, issued for capital purposes only, by
6 levying bond retirement ad valorem property tax levies, in excess of
7 the one percent limitation, whenever authorized by the voters of the
8 district pursuant to Article VII, section 2(b) of the state
9 Constitution and RCW 84.52.056.

10 **Sec. 1210.** RCW 36.100.050 and 1988 ex.s. c 1 s 15 are each amended
11 to read as follows:

12 (1) A public facilities district may levy an ad valorem property
13 tax, in excess of the (~~one percent~~) limitation in RCW 84.52.050, upon
14 the property within the district for a one-year period to be used for
15 operating or capital purposes whenever authorized by the voters of the
16 district pursuant to RCW 84.52.052 and Article VII, section 2(a) of the
17 state Constitution.

18 (2) A public facilities district may provide for the retirement of
19 voter-approved general obligation bonds, issued for capital purposes
20 only, by levying bond retirement ad valorem property tax levies, in
21 excess of the one percent limitation, whenever authorized by the voters
22 of the district pursuant to Article VII, section 2(b) of the state
23 Constitution and RCW 84.52.056.

24 **Sec. 1211.** RCW 67.38.130 and 1984 c 131 s 4 are each amended to
25 read as follows:

26 The governing body of a cultural arts, stadium and convention
27 district may levy or cause to levy the following ad valorem taxes:

28 (1) Regular ad valorem property tax levies in an amount equal to
29 twenty-five cents or less per thousand dollars of the assessed value of
30 property in the district in each year for six consecutive years when
31 specifically authorized so to do by a majority of at least three-fifths
32 of the electors thereof approving a proposition authorizing the levies
33 submitted at a general or special election, at which election the
34 number of persons voting "yes" on the proposition shall constitute
35 three-fifths of a number equal to forty percentum of the total votes
36 cast in such taxing district at the last preceding general election; or

1 by a majority of at least three-fifths of the electors thereof voting
2 on the proposition when the number of electors voting yes on the
3 proposition exceeds forty percentum of the total votes cast in such
4 taxing district in the last preceding general election. Ballot
5 propositions shall conform with RCW (~~(29.30.111)~~) 29A.36.210.

6 In the event a cultural arts, stadium and convention district is
7 levying property taxes, which in combination with property taxes levied
8 by other taxing districts subject to the (~~(one percent)~~) limitation
9 provided for in (~~(Article VII, section 2, of our state Constitution)~~)
10 RCW 84.52.050 result in taxes in excess of the limitation provided for
11 in RCW 84.52.043, the cultural arts, stadium and convention district
12 property tax levy shall be reduced or eliminated before the property
13 tax levies of other taxing districts are reduced: PROVIDED, That no
14 cultural arts, stadium, and convention district may pledge anticipated
15 revenues derived from the property tax herein authorized as security
16 for payments of bonds issued pursuant to subsection (1) of this
17 section: PROVIDED, FURTHER, That such limitation shall not apply to
18 property taxes approved pursuant to subsections (2) and (3) of this
19 section.

20 The limitation in RCW 84.55.010 shall apply to levies after the
21 first levy authorized under this section following the approval of such
22 levy by voters pursuant to this section.

23 (2) An annual excess ad valorem property tax for general district
24 purposes when authorized by the district voters in the manner
25 prescribed by (~~(section 2,)~~) Article VII, section 2 of the state
26 Constitution and by RCW 84.52.052.

27 (3) Multi-year excess ad valorem property tax levies used to retire
28 general obligation bond issues when authorized by the district voters
29 in the manner prescribed by (~~(section 2,)~~) Article VII, section 2 of
30 the state Constitution and by RCW 84.52.056.

31 The district shall include in its regular property tax levy for
32 each year a sum sufficient to pay the interest and principal on all
33 outstanding general obligation bonds issued without voter approval
34 pursuant to RCW 67.38.110 and may include a sum sufficient to create a
35 sinking fund for the redemption of all outstanding bonds.

36 **Sec. 1212.** RCW 84.52.010 and 2007 c 54 s 26 are each amended to
37 read as follows:

1 Except as is permitted under RCW 84.55.050, all taxes shall be
2 levied or voted in specific amounts.

3 The rate percent of all taxes for state and county purposes, and
4 purposes of taxing districts coextensive with the county, shall be
5 determined, calculated and fixed by the county assessors of the
6 respective counties, within the limitations provided by law, upon the
7 assessed valuation of the property of the county, as shown by the
8 completed tax rolls of the county, and the rate percent of all taxes
9 levied for purposes of taxing districts within any county shall be
10 determined, calculated and fixed by the county assessors of the
11 respective counties, within the limitations provided by law, upon the
12 assessed valuation of the property of the taxing districts
13 respectively.

14 When a county assessor finds that the aggregate rate of tax levy on
15 any property, that is subject to the limitations set forth in RCW
16 84.52.043 or 84.52.050, exceeds the limitations provided in either of
17 these sections, the assessor shall recompute and establish a
18 consolidated levy in the following manner:

19 (1) The full certified rates of tax levy for state, county, county
20 road district, and city or town purposes shall be extended on the tax
21 rolls in amounts not exceeding the limitations established by law;
22 however any state levy shall take precedence over all other levies and
23 shall not be reduced for any purpose other than that required by RCW
24 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,
25 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a
26 metropolitan park district that was protected under RCW 84.52.120,
27 84.52.125, and 84.52.135, the combined rate of regular property tax
28 levies that are subject to the ~~((one percent))~~ limitation under RCW
29 84.52.050 exceeds ~~((one percent of the true and fair value of any~~
30 ~~property))~~ the limitation under RCW 84.52.050, then these levies shall
31 be reduced as follows:

32 (a) The portion of the levy by a fire protection district that is
33 protected under RCW 84.52.125 shall be reduced until the combined rate
34 no longer exceeds ~~((one percent of the true and fair value of any~~
35 ~~property))~~ the limitation under RCW 84.52.050 or shall be eliminated;

36 (b) If the combined rate of regular property tax levies that are
37 subject to the ~~((one percent))~~ limitation under RCW 84.52.050 still
38 exceeds ~~((one percent of the true and fair value of any property))~~ the

1 limitation under RCW 84.52.050, the levy imposed by a county under RCW
2 84.52.135 must be reduced until the combined rate no longer exceeds
3 ~~((one percent of the true and fair value of any property))~~ the
4 limitation under RCW 84.52.050 or must be eliminated;

5 (c) If the combined rate of regular property tax levies that are
6 subject to the ~~((one percent))~~ limitation under RCW 84.52.050 still
7 exceeds one percent of the true and fair value of any property, the
8 levy imposed by a ferry district under RCW 36.54.130 must be reduced
9 until the combined rate no longer exceeds ~~((one percent of the true and~~
10 ~~fair value of any property))~~ the limitation under RCW 84.52.050 or must
11 be eliminated;

12 (d) If the combined rate of regular property tax levies that are
13 subject to the ~~((one percent))~~ limitation under RCW 84.52.050 still
14 exceeds ~~((one percent of the true and fair value of any property))~~ the
15 limitation under RCW 84.52.050, the portion of the levy by a
16 metropolitan park district that is protected under RCW 84.52.120 shall
17 be reduced until the combined rate no longer exceeds ~~((one percent of~~
18 ~~the true and fair value of any property))~~ the limitation under RCW
19 84.52.050 or shall be eliminated;

20 (e) If the combined rate of regular property tax levies that are
21 subject to the ~~((one percent))~~ limitation under RCW 84.52.050 still
22 exceeds ~~((one percent of the true and fair value of any property))~~ the
23 limitation under RCW 84.52.050, then the levies imposed under RCW
24 84.34.230, 84.52.105, and any portion of the levy imposed under RCW
25 84.52.069 that is in excess of thirty cents per thousand dollars of
26 assessed value, shall be reduced on a pro rata basis until the combined
27 rate no longer exceeds ~~((one percent of the true and fair value of any~~
28 ~~property))~~ the limitation under RCW 84.52.050 or shall be eliminated;
29 and

30 (f) If the combined rate of regular property tax levies that are
31 subject to the ~~((one percent))~~ limitation under RCW 84.52.050 still
32 exceeds ~~((one percent of the true and fair value of any property))~~ the
33 limitation under RCW 84.52.050, then the thirty cents per thousand
34 dollars of assessed value of tax levy imposed under RCW 84.52.069 shall
35 be reduced until the combined rate no longer exceeds ~~((one percent of~~
36 ~~the true and fair value))~~ the limitation under RCW 84.52.050 of any
37 property or eliminated.

1 (2) The certified rates of tax levy subject to these limitations by
2 all junior taxing districts imposing taxes on such property shall be
3 reduced or eliminated as follows to bring the consolidated levy of
4 taxes on such property within the provisions of these limitations:

5 (a) First, the certified property tax levy rates of those junior
6 taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100,
7 and 67.38.130 shall be reduced on a pro rata basis or eliminated;

8 (b) Second, if the consolidated tax levy rate still exceeds these
9 limitations, the certified property tax levy rates of flood control
10 zone districts shall be reduced on a pro rata basis or eliminated;

11 (c) Third, if the consolidated tax levy rate still exceeds these
12 limitations, the certified property tax levy rates of all other junior
13 taxing districts, other than fire protection districts, regional fire
14 protection service authorities, library districts, the first fifty cent
15 per thousand dollars of assessed valuation levies for metropolitan park
16 districts, and the first fifty cent per thousand dollars of assessed
17 valuation levies for public hospital districts, shall be reduced on a
18 pro rata basis or eliminated;

19 (d) Fourth, if the consolidated tax levy rate still exceeds these
20 limitations, the first fifty cent per thousand dollars of assessed
21 valuation levies for metropolitan park districts created on or after
22 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

23 (e) Fifth, if the consolidated tax levy rate still exceeds these
24 limitations, the certified property tax levy rates authorized to fire
25 protection districts under RCW 52.16.140 and 52.16.160 and regional
26 fire protection service authorities under RCW 52.26.140(1) (b) and (c)
27 shall be reduced on a pro rata basis or eliminated; and

28 (f) Sixth, if the consolidated tax levy rate still exceeds these
29 limitations, the certified property tax levy rates authorized for fire
30 protection districts under RCW 52.16.130, regional fire protection
31 service authorities under RCW 52.26.140(1)(a), library districts,
32 metropolitan park districts created before January 1, 2002, under their
33 first fifty cent per thousand dollars of assessed valuation levy, and
34 public hospital districts under their first fifty cent per thousand
35 dollars of assessed valuation levy, shall be reduced on a pro rata
36 basis or eliminated.

1 **Sec. 1213.** RCW 84.69.020 and 2005 c 502 s 9 are each amended to
2 read as follows:

3 On the order of the county treasurer, ad valorem taxes paid before
4 or after delinquency shall be refunded if they were:

5 (1) Paid more than once;

6 (2) Paid as a result of manifest error in description;

7 (3) Paid as a result of a clerical error in extending the tax
8 rolls;

9 (4) Paid as a result of other clerical errors in listing property;

10 (5) Paid with respect to improvements which did not exist on
11 assessment date;

12 (6) Paid under levies or statutes adjudicated to be illegal or
13 unconstitutional;

14 (7) Paid as a result of mistake, inadvertence, or lack of knowledge
15 by any person exempted from paying real property taxes or a portion
16 thereof pursuant to RCW 84.36.381 through 84.36.389, as now or
17 hereafter amended;

18 (8) Paid as a result of mistake, inadvertence, or lack of knowledge
19 by either a public official or employee or by any person with respect
20 to real property in which the person paying the same has no legal
21 interest;

22 (9) Paid on the basis of an assessed valuation which was appealed
23 to the county board of equalization and ordered reduced by the board;

24 (10) Paid on the basis of an assessed valuation which was appealed
25 to the state board of tax appeals and ordered reduced by the board:
26 PROVIDED, That the amount refunded under subsections (9) and (10) of
27 this section shall only be for the difference between the tax paid on
28 the basis of the appealed valuation and the tax payable on the
29 valuation adjusted in accordance with the board's order;

30 (11) Paid as a state property tax levied upon property, the
31 assessed value of which has been established by the state board of tax
32 appeals for the year of such levy: PROVIDED, HOWEVER, That the amount
33 refunded shall only be for the difference between the state property
34 tax paid and the amount of state property tax which would, when added
35 to all other property taxes within the (~~one percent~~) limitation of
36 Article VII, section 2 of the state Constitution equal (~~one percent~~)
37 the percentage under RCW 84.52.050 of the assessed value established by
38 the board;

1 (12) Paid on the basis of an assessed valuation which was
2 adjudicated to be unlawful or excessive: PROVIDED, That the amount
3 refunded shall be for the difference between the amount of tax which
4 was paid on the basis of the valuation adjudged unlawful or excessive
5 and the amount of tax payable on the basis of the assessed valuation
6 determined as a result of the proceeding;

7 (13) Paid on property acquired under RCW 84.60.050, and canceled
8 under RCW 84.60.050(2);

9 (14) Paid on the basis of an assessed valuation that was reduced
10 under RCW 84.48.065;

11 (15) Paid on the basis of an assessed valuation that was reduced
12 under RCW 84.40.039; or

13 (16) Abated under RCW 84.70.010.

14 No refunds under the provisions of this section shall be made
15 because of any error in determining the valuation of property, except
16 as authorized in subsections (9), (10), (11), and (12) of this section
17 nor may any refunds be made if a bona fide purchaser has acquired
18 rights that would preclude the assessment and collection of the
19 refunded tax from the property that should properly have been charged
20 with the tax. Any refunds made on delinquent taxes shall include the
21 proportionate amount of interest and penalties paid. However, no
22 refunds as a result of an incorrect payment authorized under subsection
23 (8) of this section made by a third party payee shall be granted. The
24 county treasurer may deduct from moneys collected for the benefit of
25 the state's levy, refunds of the state levy including interest on the
26 levy as provided by this section and chapter 84.68 RCW.

27 The county treasurer of each county shall make all refunds
28 determined to be authorized by this section, and by the first Monday in
29 February of each year, report to the county legislative authority a
30 list of all refunds made under this section during the previous year.
31 The list is to include the name of the person receiving the refund, the
32 amount of the refund, and the reason for the refund.

33 **Sec. 1214.** RCW 39.89.020 and 2001 c 212 s 2 are each amended to
34 read as follows:

35 The definitions in this section apply throughout this chapter
36 unless the context clearly requires otherwise.

1 (1) "Assessed value of real property" means the valuation of real
2 property as placed on the last completed assessment roll.

3 (2) "Local government" means any city, town, county, port district,
4 or any combination thereof.

5 (3) "Ordinance" means any appropriate method of taking legislative
6 action by a local government.

7 (4) "Public improvements" means:

8 (a) Infrastructure improvements within the increment area that
9 include:

10 (i) Street and road construction and maintenance;

11 (ii) Water and sewer system construction and improvements;

12 (iii) Sidewalks and streetlights;

13 (iv) Parking, terminal, and dock facilities;

14 (v) Park and ride facilities of a transit authority;

15 (vi) Park facilities and recreational areas; and

16 (vii) Storm water and drainage management systems; and

17 (b) Expenditures for any of the following purposes:

18 (i) Providing environmental analysis, professional management,
19 planning, and promotion within the increment area, including the
20 management and promotion of retail trade activities in the increment
21 area;

22 (ii) Providing maintenance and security for common or public areas
23 in the increment area; or

24 (iii) Historic preservation activities authorized under RCW
25 35.21.395.

26 (5) "Public improvement costs" means the costs of: (a) Design,
27 planning, acquisition, site preparation, construction, reconstruction,
28 rehabilitation, improvement, and installation of public improvements;

29 (b) relocating, maintaining, and operating property pending
30 construction of public improvements; (c) relocating utilities as a
31 result of public improvements; (d) financing public improvements,
32 including interest during construction, legal and other professional
33 services, taxes, insurance, principal and interest costs on general
34 indebtedness issued to finance public improvements, and any necessary
35 reserves for general indebtedness; (e) assessments incurred in
36 revaluing real property for the purpose of determining the tax
37 allocation base value that are in excess of costs incurred by the
38 assessor in accordance with the revaluation plan under chapter 84.41

1 RCW, and the costs of apportioning the taxes and complying with this
2 chapter and other applicable law; and (f) administrative expenses and
3 feasibility studies reasonably necessary and related to these costs,
4 including related costs that may have been incurred before adoption of
5 the ordinance authorizing the public improvements and the use of
6 community revitalization financing to fund the costs of the public
7 improvements.

8 (6) "Regular property taxes" means regular property taxes as
9 defined in RCW 84.04.140, except(~~(a)~~) regular property taxes
10 levied by port districts or public utility districts specifically for
11 the purpose of making required payments of principal and interest on
12 general indebtedness(~~(b) regular property taxes levied by the~~
13 ~~state for the support of the common schools under RCW 84.52.065)~~).
14 Regular property taxes do not include excess property tax levies that
15 are exempt from the aggregate limits for junior and senior taxing
16 districts as provided in RCW 84.52.043.

17 (7) "Tax allocation base value" means the true and fair value of
18 real property located within an increment area for taxes imposed in the
19 year in which the increment area is created, plus twenty-five percent
20 of any increase in the true and fair value of real property located
21 within an increment area that is placed on the assessment rolls after
22 the increment area is created.

23 (8) "Tax allocation revenues" means those tax revenues derived from
24 the imposition of regular property taxes on the increment value and
25 distributed to finance public improvements.

26 (9) "Increment area" means the geographic area from which taxes are
27 to be appropriated to finance public improvements authorized under this
28 chapter.

29 (10) "Increment value" means seventy-five percent of any increase
30 in the true and fair value of real property in an increment area that
31 is placed on the tax rolls after the increment area is created.

32 (11) "Taxing districts" means a governmental entity that levies or
33 has levied for it regular property taxes upon real property located
34 within a proposed or approved increment area.

35 (12) "Value of taxable property" means the value of the taxable
36 property as defined in RCW 39.36.015.

1 **Sec. 1215.** RCW 43.99H.060 and 1991 sp.s. c 31 s 15 are each
2 amended to read as follows:

3 (1) For bonds issued for the purposes of RCW 43.99H.020(16), on
4 each date on which any interest or principal and interest payment is
5 due, the board of regents or the board of trustees of Washington State
6 University shall cause the amount computed in RCW 43.99H.040(1) to be
7 paid out of the appropriate building account or capital projects
8 account to the state treasurer for deposit into the general fund of the
9 state treasury.

10 (2) For bonds issued for the purposes of RCW 43.99H.020(15), on
11 each date on which any interest or principal and interest payment is
12 due, the state treasurer shall transfer the amount computed in RCW
13 43.99H.040(2) from the capitol campus reserve account, hereby created
14 in the state treasury, to the general fund of the state treasury. At
15 the time of sale of the bonds issued for the purposes of RCW
16 43.99H.020(15), and on or before June 30th of each succeeding year
17 while such bonds remain outstanding, the state finance committee shall
18 determine, based on current balances and estimated receipts and
19 expenditures from the capitol campus reserve account, that portion of
20 principal and interest on such RCW 43.99H.020(15) bonds which will, by
21 virtue of payments from the capitol campus reserve account, be
22 reimbursed from sources other than "general state revenues" as that
23 term is defined in Article VIII, section 1 of the state Constitution.
24 The amount so determined by the state finance committee, as from time
25 to time adjusted in accordance with this subsection, shall not
26 constitute indebtedness for purposes of the limitations set forth in
27 RCW 39.42.060.

28 (3) For bonds issued for the purposes of RCW 43.99H.020(17), on
29 each date on which any interest or principal and interest payment is
30 due, the director of the department of labor and industries shall cause
31 fifty percent of the amount computed in RCW 43.99H.040(3) to be
32 transferred from the accident fund created in RCW 51.44.010 and fifty
33 percent of the amount computed in RCW 43.99H.040(3) to be transferred
34 from the medical aid fund created in RCW 51.44.020, to the general fund
35 of the state treasury.

36 (4) For bonds issued for the purposes of RCW 43.99H.020(18), on
37 each date on which any interest or principal and interest payment is
38 due, the board of regents of the University of Washington shall cause

1 the amount computed in RCW 43.99H.040(4) to be paid out of University
2 of Washington nonappropriated local funds to the state treasurer for
3 deposit into the general fund of the state treasury.

4 (5) For bonds issued for the purposes of RCW 43.99H.020(20), on
5 each date on which any interest or principal and interest payment is
6 due, the state treasurer shall transfer the amount computed in RCW
7 43.99H.040(5) from the public safety and education account created in
8 RCW 43.08.250 to the general fund of the state treasury.

9 ~~((6) For bonds issued for the purposes of RCW 43.99H.020(4), on
10 each date on which any interest or principal and interest payment is
11 due, the state treasurer shall transfer from property taxes in the
12 state general fund levied for the support of the common schools under
13 RCW 84.52.065 to the general fund of the state treasury for
14 unrestricted use the amount computed in RCW 43.99H.040(6).))~~

15 **Sec. 1216.** RCW 43.99I.040 and 1997 c 456 s 39 are each amended to
16 read as follows:

17 (1) ~~((On each date on which any interest or principal and interest
18 payment is due on bonds issued for the purposes of RCW 43.99I.020(4),
19 the state treasurer shall transfer from property taxes in the state
20 general fund levied for this support of the common schools under RCW
21 84.52.065 to the general fund of the state treasury for unrestricted
22 use the amount computed in RCW 43.99I.030 for the bonds issued for the
23 purposes of RCW 43.99I.020(4)).~~

24 ~~(2))~~ On each date on which any interest or principal and interest
25 payment is due on bonds issued for the purposes of RCW 43.99I.020(5),
26 the state treasurer shall transfer from higher education operating fees
27 deposited in the general fund to the general fund of the state treasury
28 for unrestricted use, or if chapter 231, Laws of 1992 (Senate Bill No.
29 6285) becomes law and changes the disposition of higher education
30 operating fees from the general fund to another account, the state
31 treasurer shall transfer the proportional share from the University of
32 Washington operating fees account, the Washington State University
33 operating fees account, and the Central Washington University operating
34 fees account the amount computed in RCW 43.99I.030 for the bonds issued
35 for the purposes of RCW 43.99I.020(6).

36 ~~((3))~~ (2) On each date on which any interest or principal and
37 interest payment is due on bonds issued for the purposes of RCW

1 43.99I.020(6), the state treasurer shall transfer from the data
2 processing revolving fund created in RCW 43.105.080 to the general fund
3 of the state treasury the amount computed in RCW 43.99I.030 for the
4 bonds issued for the purposes of RCW 43.99I.020(6).

5 ~~((+4))~~ (3) On each date on which any interest or principal and
6 interest payment is due on bonds issued for the purpose of RCW
7 43.99I.020(7), the Washington state dairy products commission shall
8 cause the amount computed in RCW 43.99I.030 for the bonds issued for
9 the purposes of RCW 43.99I.020(7) to be paid out of the commission's
10 general operating fund to the state treasurer for deposit into the
11 general fund of the state treasury.

12 ~~((+5))~~ (4) The higher education operating fee accounts for the
13 University of Washington, Washington State University, and Central
14 Washington University established by chapter 231, Laws of 1992 and
15 repealed by chapter 18, Laws of 1993 1st sp. sess. are reestablished in
16 the state treasury for purposes of fulfilling debt service
17 reimbursement transfers to the general fund required by bond
18 resolutions and covenants for bonds issued for purposes of RCW
19 43.99I.020(5).

20 ~~((+6))~~ (5) For bonds issued for purposes of RCW 43.99I.020(5), on
21 each date on which any interest or principal and interest payment is
22 due, the board of regents or board of trustees of the University of
23 Washington, Washington State University, or Central Washington
24 University shall cause the amount as determined by the state treasurer
25 to be paid out of the local operating fee account for deposit by the
26 universities into the state treasury higher education operating fee
27 accounts. The state treasurer shall transfer the proportional share
28 from the University of Washington operating fees account, the
29 Washington State University operating fees account, and the Central
30 Washington University operating fees account the amount computed in RCW
31 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6)
32 to reimburse the general fund.

33 **PART XIII**
34 **MISCELLANEOUS**

35 NEW SECTION. **Sec. 1301.** SEVERABILITY. If any provision of this

1 act or its application to any person or circumstance is held invalid,
2 the remainder of the act or the application of the provision to other
3 persons or circumstances is not affected.

4 NEW SECTION. **Sec. 1302.** CAPTIONS AND PART HEADINGS. Captions and
5 part headings used in this act are not any part of the law.

6 NEW SECTION. **Sec. 1303.** CODIFICATION. Sections 101 through 809
7 of this act constitute a new title in the Revised Code of Washington,
8 to be codified as Title 82A RCW.

9 NEW SECTION. **Sec. 1304.** CONTINGENT EFFECTIVE DATE. If the
10 proposed amendment to Article VII of the state Constitution authorizing
11 income taxes (SJR . . . (S-0560/09)) is validly submitted and is approved
12 and ratified by the voters at a general election held in November 2009,
13 then section 1201 of this act takes effect January 1, 2010, and the
14 remainder of this act takes effect January 1, 2011. If the proposed
15 amendment is not approved and ratified, this entire act is null and
16 void in its entirety.

17 NEW SECTION. **Sec. 1305.** Sections 1201 through 1216 of this act
18 apply to taxes levied for collection in 2011.

19 NEW SECTION. **Sec. 1306.** RCW 84.52.068 is recodified as a section
20 in Title 82A RCW, created in section 1303 of this act.

21 NEW SECTION. **Sec. 1307.** If any amendments in this act, or any
22 sections enacted or affected by chapter . . . , Laws of 2009 (this
23 act), are enacted in a 2009 legislative session that do not take
24 cognizance of chapter . . . , Laws of 2009 (this act), the code reviser
25 must prepare a bill for introduction in the 2010 or 2011 legislative
26 session that incorporates any such amendments into the reorganization
27 adopted by chapter . . . , Laws of 2009 (this act) and corrects any
28 incorrect cross-references.

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