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SENATE BILL 5287

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State of Washington                      61st Legislature                      2009 Regular Session

By Senators Kilmer, Carrell, and Marr

Read first time 01/19/09. Referred to Committee on Transportation.

1            AN ACT Relating to the deferral of sales and use taxes due on the  
2 state route number 16 corridor improvements project; and amending RCW  
3 47.46.060.

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

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

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

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

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

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

17 (5) Interest shall not be charged on any taxes deferred under this  
18 section for the period of deferral, although all other penalties and  
19 interest applicable to delinquent excise taxes may be assessed and  
20 imposed for delinquent payments under this section. The debt for  
21 deferred taxes is not extinguished by insolvency or other failure of  
22 the private entity. Transfer of ownership does not terminate the  
23 deferral.

24 (6) Applications and any other information received by the  
25 department of revenue under this section are not confidential and are  
26 subject to disclosure. Chapter 82.32 RCW applies to the administration  
27 of this section.

28 (7) Taxes due under chapters 82.08 and 82.12 RCW on the site  
29 preparation for, the construction of, the acquisition of any related  
30 machinery and equipment that will become a part of, and the rental of  
31 equipment for use in the state route number 16 corridor improvements  
32 project for which a deferral has been granted need not be repaid.

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