
SENATE BILL 5942

State of Washington

61st Legislature

2009 Regular Session

By Senators Prentice, Zarelli, Kohl-Welles, Kline, Shin, Marr, Brandland, Keiser, Murray, Hatfield, Fraser, Honeyford, Hargrove, Hewitt, and Holmquist

Read first time 02/09/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to the taxation of newspapers; amending RCW
2 82.04.280, 82.04.280, 35.102.150, and 82.08.806; amending 2006 c 300 s
3 12 (uncodified); adding a new section to chapter 82.04 RCW; providing
4 an effective date; providing a contingent effective date; providing an
5 expiration date; and providing a contingent expiration date.

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

7 **Sec. 1.** RCW 82.04.280 and 2006 c 300 s 6 are each amended to read
8 as follows:

9 Upon every person engaging within this state in the business of:
10 (1) Printing(~~(, and of)~~); (2) publishing (~~(newspapers,)~~)
11 periodicals(~~(,)~~) or magazines; (~~(+2)~~) (3) building, repairing or
12 improving any street, place, road, highway, easement, right-of-way,
13 mass public transportation terminal or parking facility, bridge,
14 tunnel, or trestle which is owned by a municipal corporation or
15 political subdivision of the state or by the United States and which is
16 used or to be used, primarily for foot or vehicular traffic including
17 mass transportation vehicles of any kind and including any
18 readjustment, reconstruction or relocation of the facilities of any
19 public, private or cooperatively owned utility or railroad in the

1 course of such building, repairing or improving, the cost of which
2 readjustment, reconstruction, or relocation, is the responsibility of
3 the public authority whose street, place, road, highway, easement,
4 right-of-way, mass public transportation terminal or parking facility,
5 bridge, tunnel, or trestle is being built, repaired or improved;
6 ~~((+3))~~ (4) extracting for hire or processing for hire, except persons
7 taxable as extractors for hire or processors for hire under another
8 section of this chapter; ~~((+4))~~ (5) operating a cold storage warehouse
9 or storage warehouse, but not including the rental of cold storage
10 lockers; ~~((+5))~~ (6) representing and performing services for fire or
11 casualty insurance companies as an independent resident managing
12 general agent licensed under the provisions of RCW 48.05.310; ~~((+6))~~
13 (7) radio and television broadcasting, excluding network, national and
14 regional advertising computed as a standard deduction based on the
15 national average thereof as annually reported by the Federal
16 Communications Commission, or in lieu thereof by itemization by the
17 individual broadcasting station, and excluding that portion of revenue
18 represented by the out-of-state audience computed as a ratio to the
19 station's total audience as measured by the 100 micro-volt signal
20 strength and delivery by wire, if any; ~~((+7))~~ (8) engaging in
21 activities which bring a person within the definition of consumer
22 contained in RCW 82.04.190(6); as to such persons, the amount of tax on
23 such business shall be equal to the gross income of the business
24 multiplied by the rate of 0.484 percent.

25 As used in this section, "cold storage warehouse" means a storage
26 warehouse used to store fresh and/or frozen perishable fruits or
27 vegetables, meat, seafood, dairy products, or fowl, or any combination
28 thereof, at a desired temperature to maintain the quality of the
29 product for orderly marketing.

30 As used in this section, "storage warehouse" means a building or
31 structure, or any part thereof, in which goods, wares, or merchandise
32 are received for storage for compensation, except field warehouses,
33 fruit warehouses, fruit packing plants, warehouses licensed under
34 chapter 22.09 RCW, public garages storing automobiles, railroad freight
35 sheds, docks and wharves, and "self-storage" or "mini storage"
36 facilities whereby customers have direct access to individual storage
37 areas by separate entrance. "Storage warehouse" does not include a

1 building or structure, or that part of such building or structure, in
2 which an activity taxable under RCW 82.04.272 is conducted.

3 As used in this section, "periodical or magazine" means a printed
4 publication, other than a newspaper, issued regularly at stated
5 intervals at least once every three months, including any supplement or
6 special edition of the publication.

7 **Sec. 2.** RCW 82.04.280 and 2006 c 300 s 7 are each amended to read
8 as follows:

9 Upon every person engaging within this state in the business of:

- 10 (1) ~~Printing((, and of));~~ (2) publishing ~~((newspapers,))~~
11 periodicals(~~(,))~~ or magazines; ~~((+2))~~ (3) building, repairing or
12 improving any street, place, road, highway, easement, right-of-way,
13 mass public transportation terminal or parking facility, bridge,
14 tunnel, or trestle which is owned by a municipal corporation or
15 political subdivision of the state or by the United States and which is
16 used or to be used, primarily for foot or vehicular traffic including
17 mass transportation vehicles of any kind and including any
18 readjustment, reconstruction or relocation of the facilities of any
19 public, private or cooperatively owned utility or railroad in the
20 course of such building, repairing or improving, the cost of which
21 readjustment, reconstruction, or relocation, is the responsibility of
22 the public authority whose street, place, road, highway, easement,
23 right-of-way, mass public transportation terminal or parking facility,
24 bridge, tunnel, or trestle is being built, repaired or improved;
25 ~~((+3))~~ (4) extracting for hire or processing for hire, except persons
26 taxable as extractors for hire or processors for hire under another
27 section of this chapter; ~~((+4))~~ (5) operating a cold storage warehouse
28 or storage warehouse, but not including the rental of cold storage
29 lockers; ~~((+5))~~ (6) representing and performing services for fire or
30 casualty insurance companies as an independent resident managing
31 general agent licensed under the provisions of RCW 48.05.310; ~~((+6))~~
32 (7) radio and television broadcasting, excluding network, national and
33 regional advertising computed as a standard deduction based on the
34 national average thereof as annually reported by the Federal
35 Communications Commission, or in lieu thereof by itemization by the
36 individual broadcasting station, and excluding that portion of revenue
37 represented by the out-of-state audience computed as a ratio to the

1 station's total audience as measured by the 100 micro-volt signal
2 strength and delivery by wire, if any; (~~(+7)~~) (8) engaging in
3 activities which bring a person within the definition of consumer
4 contained in RCW 82.04.190(6); as to such persons, the amount of tax on
5 such business shall be equal to the gross income of the business
6 multiplied by the rate of 0.484 percent.

7 As used in this section, "cold storage warehouse" means a storage
8 warehouse used to store fresh and/or frozen perishable fruits or
9 vegetables, meat, seafood, dairy products, or fowl, or any combination
10 thereof, at a desired temperature to maintain the quality of the
11 product for orderly marketing.

12 As used in this section, "storage warehouse" means a building or
13 structure, or any part thereof, in which goods, wares, or merchandise
14 are received for storage for compensation, except field warehouses,
15 fruit warehouses, fruit packing plants, warehouses licensed under
16 chapter 22.09 RCW, public garages storing automobiles, railroad freight
17 sheds, docks and wharves, and "self-storage" or "mini storage"
18 facilities whereby customers have direct access to individual storage
19 areas by separate entrance. "Storage warehouse" does not include a
20 building or structure, or that part of such building or structure, in
21 which an activity taxable under RCW 82.04.272 is conducted.

22 As used in this section, "periodical or magazine" means a printed
23 publication, other than a newspaper, issued regularly at stated
24 intervals at least once every three months, including any supplement or
25 special edition of the publication.

26 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04 RCW
27 to read as follows:

28 Upon every person in this state engaged in the printing and
29 publishing of newspapers, or the publishing of newspapers; as to such
30 persons the amount of tax with respect to such business is equal to the
31 gross income of such activity multiplied by the rate of .2904 percent.

32 **Sec. 4.** RCW 35.102.150 and 2006 c 272 s 1 are each amended to read
33 as follows:

34 Notwithstanding RCW 35.102.130, a city that imposes a business and
35 occupation tax shall allocate a person's gross income from the
36 activities of printing, and of publishing newspapers, periodicals, or

1 magazines, to the principal place in this state from which the
2 taxpayer's business is directed or managed. As used in this section,
3 the activities of printing, and of publishing newspapers, periodicals,
4 or magazines, have the same meanings as attributed to those terms in
5 section 3 of this act and/or RCW 82.04.280 (1) or (2) by the department
6 of revenue.

7 **Sec. 5.** RCW 82.08.806 and 2004 c 8 s 2 are each amended to read as
8 follows:

9 (1) The tax levied by RCW 82.08.020 shall not apply to sales, to a
10 printer or publisher, of computer equipment, including repair parts and
11 replacement parts for such equipment, when the computer equipment is
12 used primarily in the printing or publishing of any printed material,
13 or to sales of or charges made for labor and services rendered in
14 respect to installing, repairing, cleaning, altering, or improving the
15 computer equipment. This exemption applies only to computer equipment
16 not otherwise exempt under RCW 82.08.02565.

17 (2) A person taking the exemption under this section must keep
18 records necessary for the department to verify eligibility under this
19 section. This exemption is available only when the purchaser provides
20 the seller with an exemption certificate in a form and manner
21 prescribed by the department. The seller shall retain a copy of the
22 certificate for the seller's files.

23 (3) The definitions in this subsection (3) apply throughout this
24 section, unless the context clearly requires otherwise.

25 (a) "Computer" has the same meaning as in RCW 82.04.215.

26 (b) "Computer equipment" means a computer and the associated
27 physical components that constitute a computer system, including
28 monitors, keyboards, printers, modems, scanners, pointing devices, and
29 other computer peripheral equipment, cables, servers, and routers.
30 "Computer equipment" also includes digital cameras and computer
31 software.

32 (c) "Computer software" has the same meaning as in RCW 82.04.215.

33 (d) "Primarily" means greater than fifty percent as measured by
34 time.

35 (e) "Printer or publisher" means a person, as defined in RCW
36 82.04.030, who is subject to tax under section 3 of this act and/or RCW
37 82.04.280 (1) or (2).

1 (4) "Computer equipment" does not include computer equipment that
2 is used primarily for administrative purposes including but not limited
3 to payroll processing, accounting, customer service, telemarketing, and
4 collection. If computer equipment is used simultaneously for
5 administrative and nonadministrative purposes, the administrative use
6 shall be disregarded during the period of simultaneous use for purposes
7 of determining whether the computer equipment is used primarily for
8 administrative purposes.

9 **Sec. 6.** 2006 c 300 s 12 (uncodified) is amended to read as
10 follows:

11 (1)(a) (~~(This act and)~~) Section 2, chapter . . . , Laws of 2009
12 (section 2 of this act), section 7, chapter 300, Laws of 2006, and
13 section 4, chapter 149, Laws of 2003 are contingent upon the siting and
14 commercial operation of a significant semiconductor microchip
15 fabrication facility in the state of Washington.

16 (b) For the purposes of this section:

17 (i) "Commercial operation" means the same as "commencement of
18 commercial production" as used in RCW 82.08.965.

19 (ii) "Semiconductor microchip fabrication" means "manufacturing
20 semiconductor microchips" as defined in RCW 82.04.426.

21 (iii) "Significant" means the combined investment of new buildings
22 and new machinery and equipment in the buildings, at the commencement
23 of commercial production, will be at least one billion dollars.

24 (2) (~~(This act)~~) Chapter 149, Laws of 2003 takes effect the first
25 day of the month in which a contract for the construction of a
26 significant semiconductor fabrication facility is signed, as determined
27 by the director of the department of revenue.

28 (3)(a) The department of revenue (~~(shall)~~) must provide notice of
29 the effective date of this act to affected taxpayers, the legislature,
30 and others as deemed appropriate by the department.

31 (b) If, after making a determination that a contract has been
32 signed and (~~(this act)~~) chapter 149, Laws of 2003 is effective, the
33 department discovers that commencement of commercial production did not
34 take place within three years of the date the contract was signed, the
35 department (~~(shall)~~) must make a determination that (~~(this act)~~)
36 chapter 149, Laws of 2003 is no longer effective, and all taxes that
37 would have been otherwise due (~~(shall be)~~) are deemed deferred taxes

1 and are immediately assessed and payable from any person reporting tax
2 under RCW 82.04.240(2) or claiming an exemption or credit under section
3 2 or 5 through 10 (~~of this act~~), chapter 149, Laws of 2003. The
4 department is not authorized to make a second determination regarding
5 the effective date of (~~this act~~) chapter 149, Laws of 2003.

6 NEW SECTION. **Sec. 7.** This act expires July 1, 2015.

7 NEW SECTION. **Sec. 8.** This act takes effect January 1, 2010.

8 NEW SECTION. **Sec. 9.** (1) Section 2 of this act takes effect if
9 the contingency in section 6 of this act occurs.

10 (2) Section 1 of this act expires on the date that section 2 of
11 this act takes effect.

--- END ---