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HOUSE BILL 1750

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State of Washington

62nd Legislature

2011 Regular Session

By Representative Lias

Read first time 02/01/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing a state sales and use tax exemption on  
2 labor and materials used to reconstruct or repair structures damaged by  
3 arson; adding a new section to chapter 82.08 RCW; adding a new section  
4 to chapter 82.12 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW  
7 to read as follows:

8 (1) RCW 82.08.020 does not apply to materials and labor and  
9 services used in reconstructing or repairing any residence or other  
10 structure damaged or destroyed by fire or an explosion related to the  
11 fire. The exemption provided in this section is in the form of a  
12 remittance and only applies to the state portion of the sales tax.

13 (2) To qualify for the exemption under this section, the following  
14 conditions must be met:

15 (a) The property must be owned by a person: (i) Organized under  
16 chapter 24.03 RCW; or (ii) reporting a taxable amount of less than one  
17 million dollars in the calendar year prior to the year in which the  
18 structure was damaged by fire. This subsection (2)(a) does not apply  
19 to property used as residential property;

1 (b) A fire investigator, as evidenced by a written report, must  
2 have determined that a person knowingly caused the fire that damaged or  
3 destroyed the residence or other structure;

4 (c) The property owner or an employee of the property owner must  
5 not have been convicted of arson or reckless burning related to the  
6 residence or other structure damaged or destroyed by fire; and

7 (d) The sales or use tax is not covered under an insurance policy  
8 on the residence or other structure damaged or destroyed by fire.

9 (3) A person seeking a remittance under this section must apply to  
10 the department in a form and manner required by the department.

11 (4) The definitions in this subsection apply to this section.

12 (a) "Arson" and "reckless burning" have the meanings provided in  
13 chapter 9A.48 RCW.

14 (b) "Residence" means a single-family dwelling unit regardless of  
15 whether the unit is separate or part of a multiunit dwelling.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW  
17 to read as follows:

18 The provisions of this chapter do not apply in respect to materials  
19 to be used in the reconstruction or repair of any home or other  
20 structure damaged by arson. The exemption provided in this section is  
21 in the form of a remittance and only applies to the state portion of  
22 the use tax. The definitions and conditions in section 1 of this act  
23 apply to this section.

24 NEW SECTION. **Sec. 3.** This act applies to labor and services  
25 performed, and materials purchased, on or after August 1, 2011.

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