

SHB 2089 - H AMD TO H AMD (H-2862.2/14) **589**

By Representative Haler

NOT CONSIDERED

1 On page 5, line 8 of the striking amendment, after "of" strike
2 "0.138" and insert "~~((0.138))~~ 0.2904"

3
4 On page 5, line 17 of the striking amendment, after "of" strike
5 "0.138" and insert "~~((0.138))~~ 0.2904"

6
7 On page 5, line 27 of the striking amendment, after "of" strike
8 "0.138" and insert "~~((0.138))~~ 0.2904"

9
10 On page 6, line 17 of the striking amendment, after "of" strike
11 "0.138" and insert "~~((0.138))~~ 0.2904"

12
13 On page 6, at the beginning of line 29 of the striking amendment,
14 strike "0.138" and insert "~~((0.138))~~ 0.2904"

15
16 On page 6, line 33 of the striking amendment, after "of" strike
17 "0.138" and insert "~~((0.138))~~ 0.2904"

18
19 On page 6, line 38 of the striking amendment, after "of" strike
20 "0.484" and insert "~~((0.484))~~ 0.2904"

21
22 On page 7, line 5 of the striking amendment, after "of" strike
23 "0.138" and insert "~~((0.138))~~ 0.2904"

24
25 On page 7, line 9 of the striking amendment, after "of" strike
26 "0.275" and insert "~~((0.275))~~ 0.2904"

27

1 On page 7, line 17 of the striking amendment, after "of" strike
2 "0.275" and insert "~~((0.275))~~ 0.2904"

3
4 On page 7, line 23 of the striking amendment, after "of" strike
5 "0.275" and insert "~~((0.275))~~ 0.2904"

6
7 On page 8, line 13 of the striking amendment, after "of" strike
8 "3.3" and insert "~~((3.3))~~ 0.2904"

9
10 On page 8, at the beginning of line 23 of the striking amendment,
11 strike "0.484" and insert "~~((0.484))~~ 0.2904"

12
13 On page 8, line 29 of the striking amendment, after "and" strike
14 "1.5" and insert "~~((1.5))~~ 0.2904"

15
16 On page 12, line 7 of the striking amendment, after "of" strike
17 "0.484" and insert "~~((0.484))~~ 0.2904"

18
19 On page 12, line 12 of the striking amendment, after "of" strike
20 "0.35" and insert "~~((0.35))~~ 0.2904"

21
22 On page 12, line 25 of the striking amendment, after "of" strike
23 "0.138" and insert "~~((0.138))~~ 0.2904"

24
25 On page 12, line 34 of the striking amendment, after "of" strike
26 "0.138" and insert "~~((0.138))~~ 0.2904"

27
28 On page 13, line 7 of the striking amendment, after "of" strike
29 "0.138" and insert "~~((0.138))~~ 0.2904"

30
31 On page 13, line 34 of the striking amendment, after "of" strike
32 "0.138" and insert "~~((0.138))~~ 0.2904"

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34

1 On page 14, at the beginning of line 9 of the striking amendment,
2 strike "0.138" and insert "~~((0.138))~~ 0.2904"

3
4 On page 14, line 13 of the striking amendment, after "of" strike
5 "0.138" and insert "~~((0.138))~~ 0.2904"

6
7 On page 14, line 18 of the striking amendment, after "of" strike
8 "0.484" and insert "~~((0.484))~~ 0.2904"

9
10 On page 14, line 23 of the striking amendment, after "of" strike
11 "0.138" and insert "~~((0.138))~~ 0.2904"

12
13 On page 14, line 27 of the striking amendment, after "of" strike
14 "0.275" and insert "~~((0.275))~~ 0.2904"

15
16 On page 14, line 35 of the striking amendment, after "of" strike
17 "0.275" and insert "~~((0.275))~~ 0.2904"

18
19 On page 15, line 3 of the striking amendment, after "of" strike
20 "0.275" and insert "~~((0.275))~~ 0.2904"

21
22 On page 15, line 31 of the striking amendment, after "of" strike
23 "3.3" and insert "~~((3.3))~~ 0.2904"

24
25 On page 16, at the beginning of line 3 of the striking amendment,
26 strike "0.484" and insert "~~((0.484))~~ 0.2904"

27
28 On page 16, line 9 of the striking amendment, after "and" strike
29 "1.5" and insert "~~((1.5))~~ 0.2904"

30
31 On page 19, line 23 of the striking amendment, after "of" strike
32 "0.484" and insert "~~((0.484))~~ 0.2904"

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34

1 On page 19, line 37 of the striking amendment, after "of" strike
2 "0.471" and insert "~~((0.471))~~ 0.2904"

3
4 On page 20, line 7 of the striking amendment, after "of" strike
5 "0.484" and insert "~~((0.484))~~ 0.2904"

6
7 On page 20, line 22 of the striking amendment, after "of" strike
8 "0.275" and insert "~~((0.275))~~ 0.2904"

9
10 On page 20, line 28 of the striking amendment, after "of" strike
11 "1.5" and insert "~~((1.5))~~ 0.2904"

12
13 On page 21, line 8 of the striking amendment, after "of" strike
14 "0.9" and insert "~~((0.9))~~ 0.2904"

15
16 On page 27, after line 33 of the striking amendment, insert the
17 following:

18
19 **"Sec. 15.** RCW 82.04.230 and 2006 c 300 s 5 are each amended to
20 read as follows:

21 Upon every person engaging within this state in business as an
22 extractor, except persons taxable as an extractor under any other
23 provision in this chapter; as to such persons the amount of the tax
24 with respect to such business shall be equal to the value of the
25 products, including by-products, extracted for sale or for commercial
26 or industrial use, multiplied by the rate of ~~((0.484))~~ 0.2904 percent.

27 The measure of the tax is the value of the products, including by-
28 products, so extracted, regardless of the place of sale or the fact
29 that deliveries may be made to points outside the state.

30
31 **Sec. 16.** RCW 82.04.240 and 2004 c 24 s 4 are each amended to read
32 as follows:

33 Upon every person engaging within this state in business as a
34 manufacturer, except persons taxable as manufacturers under other

1 provisions of this chapter; as to such persons the amount of the tax
2 with respect to such business shall be equal to the value of the
3 products, including byproducts, manufactured, multiplied by the rate
4 of ((~~0.484~~)) 0.2904 percent.

5 The measure of the tax is the value of the products, including
6 byproducts, so manufactured regardless of the place of sale or the
7 fact that deliveries may be made to points outside the state.

8

9 **Sec. 17.** RCW 82.04.240 and 2010 c 114 s 104 are each amended to
10 read as follows:

11 (1) Upon every person engaging within this state in business as a
12 manufacturer, except persons taxable as manufacturers under other
13 provisions of this chapter; as to such persons the amount of the tax
14 with respect to such business is equal to the value of the products,
15 including byproducts, manufactured, multiplied by the rate of
16 ((~~0.484~~)) 0.2904 percent.

17 (2)(a) Upon every person engaging within this state in the
18 business of manufacturing semiconductor materials, as to such persons
19 the amount of tax with respect to such business is, in the case of
20 manufacturers, equal to the value of the product manufactured, or, in
21 the case of processors for hire, equal to the gross income of the
22 business, multiplied by the rate of ((~~0.275~~)) 0.2904 percent. For the
23 purposes of this subsection "semiconductor materials" means silicon
24 crystals, silicon ingots, raw polished semiconductor wafers, compound
25 semiconductors, integrated circuits, and microchips.

26 (b) A person reporting under the tax rate provided in this
27 subsection (2) must file a complete annual report with the department
28 under RCW 82.32.534.

29 (c) This subsection (2) expires twelve years after *the effective
30 date of this act.

31 (3) The measure of the tax is the value of the products, including
32 byproducts, so manufactured regardless of the place of sale or the
33 fact that deliveries may be made to points outside the state.

34

1 **Sec. 18.** RCW 82.04.2404 and 2010 c 114 s 105 are each amended to
2 read as follows:

3 (1) Upon every person engaging within this state in the business
4 of manufacturing or processing for hire semiconductor materials, as to
5 such persons the amount of tax with respect to such business is, in
6 the case of manufacturers, equal to the value of the product
7 manufactured, or, in the case of processors for hire, equal to the
8 gross income of the business, multiplied by the rate of (~~0.275~~)
9 0.2904 percent.

10 (2) For the purposes of this section "semiconductor materials"
11 means silicon crystals, silicon ingots, raw polished semiconductor
12 wafers, and compound semiconductor wafers.

13 (3) A person reporting under the tax rate provided in this section
14 must file a complete annual report with the department under RCW
15 82.32.534.

16 (4) This section expires December 1, 2018.

17

18 **Sec. 19.** RCW 82.04.255 and 2011 c 322 s 2 are each amended to
19 read as follows:

20 (1) Upon every person engaging within the state in the business of
21 providing real estate brokerage services; as to such persons, the
22 amount of the tax with respect to such business is equal to the gross
23 income of the business, multiplied by the rate of (~~1.5~~) 0.2904
24 percent.

25 (2) The measure of the tax on real estate commissions earned by
26 the real estate firm is the gross commission earned by the particular
27 real estate firm including that portion of the commission paid to
28 brokers, including designated and managing brokers, in the same firm
29 on a particular transaction. However, when a real estate commission
30 on a particular transaction is divided among real estate firms at the
31 closing of the transaction, including a firm located out of state,
32 each firm must pay the tax only upon its respective shares of said
33 commission. Moreover, when the real estate firm has paid the tax as
34 provided herein, brokers, including designated and managing brokers,

1 within the same real estate firm may not be required to pay a similar
2 tax upon the same transaction. If any firm located out of state
3 receives a share of commission on a particular transaction, that
4 company or broker must pay the tax based on the requirements of this
5 section and RCW 82.04.067.

6 (3) For the purposes of this section, "broker," "designated
7 broker," "managing broker," and "real estate firm" have the same
8 meaning as provided in RCW 18.85.011.

9
10 **Sec. 20.** RCW 82.04.257 and 2010 c 111 s 301 are each amended to
11 read as follows:

12 (1) Except as provided in subsection (2) of this section, upon
13 every person engaging within this state in the business of making
14 sales at retail or wholesale of digital goods, digital codes, digital
15 automated services, or services described in RCW 82.04.050 (2)(g) or
16 (6)(b), as to such persons, the amount of tax with respect to such
17 business is equal to the gross proceeds of sales of the business,
18 multiplied by the rate of (~~(0.471)~~) 0.2904 percent (~~(in the case of)~~)
19 for both retail sales and (~~by the rate of 0.484 percent in the case~~
20 ~~of~~) wholesale sales.

21 (2) Persons providing subscription television services or
22 subscription radio services are subject to tax under RCW 82.04.290(2)
23 on the gross income of the business received from providing such
24 services.

25 (3) For purposes of this section, a person is considered to be
26 engaging within this state in the business of making sales of digital
27 goods, digital codes, digital automated services, or services
28 described in RCW 82.04.050 (2)(g) or (6)(b), if the person makes sales
29 of digital goods, digital codes, digital automated services, or
30 services described in RCW 82.04.050 (2)(g) or (6)(b) and the sales are
31 sourced to this state under RCW 82.32.730 for sales tax purposes or
32 would have been sourced to this state under RCW 82.32.730 if the sale
33 had been taxable under chapter 82.08 RCW.

34

1 (4) A person subject to tax under this section is subject to the
2 mandatory electronic filing and payment requirements in RCW 82.32.080.

3
4 **Sec. 21.** RCW 82.04.263 and 2009 c 469 s 202 are each amended to
5 read as follows:

6 (1) Upon every person engaging within this state in the business
7 of cleaning up for the United States, or its instrumentalities,
8 radioactive waste and other by-products of weapons production and
9 nuclear research and development; as to such persons the amount of the
10 tax with respect to such business shall be equal to the gross income
11 of the business multiplied by the rate of (~~0.471~~) 0.2904 percent.

12 (2) For the purposes of this chapter, "cleaning up radioactive
13 waste and other by-products of weapons production and nuclear research
14 and development" means:

15 (a) The activities of handling, storing, treating, immobilizing,
16 stabilizing, or disposing of radioactive waste, radioactive tank waste
17 and capsules, nonradioactive hazardous solid and liquid wastes, or
18 spent nuclear fuel;

19 (b) Spent nuclear fuel conditioning;

20 (c) Removal of contamination in soils and groundwater;

21 (d) Decontamination and decommissioning of facilities; and (e)
22 Services supporting the performance of cleanup. For the purposes of
23 this subsection (2)(e), a service supports the performance of cleanup
24 if it:

25 (i) Is within the scope of work under a clean-up contract with the
26 United States department of energy; or

27 (ii) Assists in the accomplishment of a requirement of a clean-up
28 project undertaken by the United States department of energy under a
29 subcontract entered into with the prime contractor or another
30 subcontractor in furtherance of a clean-up contract between the United
31 States department of energy and a prime contractor.

32 (3) A service does not assist in the accomplishment of a
33 requirement of a clean-up project undertaken by the United States
34 department of energy if the same services are routinely provided to

1 businesses not engaged in clean-up activities, except that the
2 following services are always deemed to contribute to the
3 accomplishment of a requirement of a clean-up project undertaken by
4 the United States department of energy:

5 (a) Information technology and computer support services;

6 (b) Services rendered in respect to infrastructure; and

7 (c) Security, safety, and health services.

8 (4) The legislature intends that the examples provided in this
9 subsection be used as a guideline when determining whether a service
10 is "routinely provided to businesses not engaged in clean-up
11 activities" as that phrase is used in subsection (3) of this section.

12 (a) The radioactive waste clean-up classification does not apply
13 to general accounting services but does apply to performance audits
14 performed for persons cleaning up radioactive waste.

15 (b) The radioactive waste clean-up classification does not apply
16 to general legal services but does apply to those legal services that
17 assist in the accomplishment of a requirement of a clean-up project
18 undertaken by the United States department of energy. Thus, legal
19 services provided to contest any local, state, or federal tax
20 liability or to defend a company against a workers' compensation claim
21 arising from a worksite injury do not qualify for the radioactive
22 waste clean-up classification. But, legal services related to the
23 resolution of a contractual dispute between the parties to a clean-up
24 contract between the United States department of energy and a prime
25 contractor do qualify.

26 (c) General office janitorial services do not qualify for the
27 radioactive waste clean-up classification, but the specialized
28 cleaning of equipment exposed to radioactive waste does qualify.

29

30 **Sec. 22.** RCW 82.04.270 and 2004 c 24 s 5 are each amended to read
31 as follows:

32 Upon every person engaging within this state in the business of
33 making sales at wholesale, except persons taxable as wholesalers under
34 other provisions of this chapter; as to such persons the amount of tax

1 with respect to such business shall be equal to the gross proceeds of
2 sales of such business multiplied by the rate of (~~0.484~~) 0.2904
3 percent.

4

5 **Sec. 23.** RCW 82.04.272 and 2013 c 19 s 127 are each amended to
6 read as follows:

7 (1) Upon every person engaging within this state in the business
8 of warehousing and reselling drugs for human use pursuant to a
9 prescription; as to such persons, the amount of the tax shall be equal
10 to the gross income of the business multiplied by the rate of
11 (~~0.138~~) 0.2904 percent.

12 (2) For the purposes of this section:

13 (a) "Prescription" and "drug" have the same meaning as in RCW
14 82.08.0281; and

15 (b) "Warehousing and reselling drugs for human use pursuant to a
16 prescription" means the buying of drugs for human use pursuant to a
17 prescription from a manufacturer or another wholesaler, and reselling
18 of the drugs to persons selling at retail or to hospitals, clinics,
19 health care providers, or other providers of health care services, by
20 a wholesaler or retailer who is registered with the federal drug
21 enforcement administration and licensed by the pharmacy quality
22 assurance commission.

23

24 **Sec. 24.** RCW 82.04.280 and 2010 c 106 s 205 are each amended to
25 read as follows:

26 (1) Upon every person engaging within this state in the business
27 of: (a) Printing materials other than newspapers, and of publishing
28 periodicals or magazines; (b) building, repairing or improving any
29 street, place, road, highway, easement, right-of-way, mass public
30 transportation terminal or parking facility, bridge, tunnel, or
31 trestle which is owned by a municipal corporation or political
32 subdivision of the state or by the United States and which is used or
33 to be used, primarily for foot or vehicular traffic including mass
34 transportation vehicles of any kind and including any readjustment,

1 reconstruction or relocation of the facilities of any public, private
2 or cooperatively owned utility or railroad in the course of such
3 building, repairing or improving, the cost of which readjustment,
4 reconstruction, or relocation, is the responsibility of the public
5 authority whose street, place, road, highway, easement, right-of-way,
6 mass public transportation terminal or parking facility, bridge,
7 tunnel, or trestle is being built, repaired or improved; (c)
8 extracting for hire or processing for hire, except persons taxable as
9 extractors for hire or processors for hire under another section of
10 this chapter; (d) operating a cold storage warehouse or storage
11 warehouse, but not including the rental of cold storage lockers; (e)
12 representing and performing services for fire or casualty insurance
13 companies as an independent resident managing general agent licensed
14 under the provisions of chapter 48.17 RCW; (f) radio and television
15 broadcasting, excluding network, national and regional advertising
16 computed as a standard deduction based on the national average thereof
17 as annually reported by the federal communications commission, or in
18 lieu thereof by itemization by the individual broadcasting station,
19 and excluding that portion of revenue represented by the out-of-state
20 audience computed as a ratio to the station's total audience as
21 measured by the 100 micro-volt signal strength and delivery by wire,
22 if any; (g) engaging in activities which bring a person within the
23 definition of consumer contained in RCW 82.04.190(6); as to such
24 persons, the amount of tax on such business is equal to the gross
25 income of the business multiplied by the rate of (~~0.484~~) 0.2904
26 percent.

27 (2) For the purposes of this section, the following definitions
28 apply unless the context clearly requires otherwise.

29 (a) "Cold storage warehouse" means a storage warehouse used to
30 store fresh and/or frozen perishable fruits or vegetables, meat,
31 seafood, dairy products, or fowl, or any combination thereof, at a
32 desired temperature to maintain the quality of the product for orderly
33 marketing.

34

1 (b) "Storage warehouse" means a building or structure, or any part
2 thereof, in which goods, wares, or merchandise are received for
3 storage for compensation, except field warehouses, fruit warehouses,
4 fruit packing plants, warehouses licensed under chapter 22.09 RCW,
5 public garages storing automobiles, railroad freight sheds, docks and
6 wharves, and "self-storage" or "mini storage" facilities whereby
7 customers have direct access to individual storage areas by separate
8 entrance. "Storage warehouse" does not include a building or
9 structure, or that part of such building or structure, in which an
10 activity taxable under RCW 82.04.272 is conducted.

11 (c) "Periodical or magazine" means a printed publication, other
12 than a newspaper, issued regularly at stated intervals at least once
13 every three months, including any supplement or special edition of the
14 publication.

15
16 **Sec. 25.** RCW 82.04.280 and 2010 c 106 s 206 are each amended to
17 read as follows:

18 (1) Upon every person engaging within this state in the business
19 of: (a) Printing materials other than newspapers, and of publishing
20 periodicals or magazines; (b) building, repairing or improving any
21 street, place, road, highway, easement, right-of-way, mass public
22 transportation terminal or parking facility, bridge, tunnel, or
23 trestle which is owned by a municipal corporation or political
24 subdivision of the state or by the United States and which is used or
25 to be used, primarily for foot or vehicular traffic including mass
26 transportation vehicles of any kind and including any readjustment,
27 reconstruction or relocation of the facilities of any public, private
28 or cooperatively owned utility or railroad in the course of such
29 building, repairing or improving, the cost of which readjustment,
30 reconstruction, or relocation, is the responsibility of the public
31 authority whose street, place, road, highway, easement, right-of-way,
32 mass public transportation terminal or parking facility, bridge,
33 tunnel, or trestle is being built, repaired or improved; (c)
34 extracting for hire or processing for hire, except persons taxable as

1 extractors for hire or processors for hire under another section of
2 this chapter; (d) operating a cold storage warehouse or storage
3 warehouse, but not including the rental of cold storage lockers; (e)
4 representing and performing services for fire or casualty insurance
5 companies as an independent resident managing general agent licensed
6 under the provisions of chapter 48.17 RCW; (f) radio and television
7 broadcasting, excluding network, national and regional advertising
8 computed as a standard deduction based on the national average thereof
9 as annually reported by the federal communications commission, or in
10 lieu thereof by itemization by the individual broadcasting station,
11 and excluding that portion of revenue represented by the out-of-state
12 audience computed as a ratio to the station's total audience as
13 measured by the 100 micro-volt signal strength and delivery by wire,
14 if any; (g) engaging in activities which bring a person within the
15 definition of consumer contained in RCW 82.04.190(6); as to such
16 persons, the amount of tax on such business is equal to the gross
17 income of the business multiplied by the rate of (~~0.484~~) 0.2904
18 percent.

19 (2) For the purposes of this section, the following definitions
20 apply unless the context clearly requires otherwise.

21 (a) "Cold storage warehouse" means a storage warehouse used to
22 store fresh and/or frozen perishable fruits or vegetables, meat,
23 seafood, dairy products, or fowl, or any combination thereof, at a
24 desired temperature to maintain the quality of the product for orderly
25 marketing.

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

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

3 (c) "Periodical or magazine" means a printed publication, other
4 than a newspaper, issued regularly at stated intervals at least once
5 every three months, including any supplement or special edition of the
6 publication.

7

8 **Sec. 26.** RCW 82.04.285 and 2005 c 369 s 5 are each amended to
9 read as follows:

10 (1) Upon every person engaging within this state in the business
11 of operating contests of chance; as to such persons, the amount of tax
12 with respect to the business of operating contests of chance is equal
13 to the gross income of the business derived from contests of chance
14 multiplied by the rate of (~~(1.5)~~) 0.2904 percent.

15 (2) An additional tax is imposed on those persons subject to tax
16 in subsection (1) of this section. The amount of the additional tax
17 with respect to the business of operating contests of chance is equal
18 to the gross income of the business derived from contests of chance
19 multiplied by the rate of 0.1 percent through June 30, 2006, and 0.13
20 percent thereafter. The money collected under this subsection (2)
21 shall be deposited in the problem gambling account created in RCW
22 43.20A.892. This subsection does not apply to businesses operating
23 contests of chance when the gross income from the operation of
24 contests of chance is less than fifty thousand dollars per year.

25 (3) For the purpose of this section, "contests of chance" means
26 any contests, games, gaming schemes, or gaming devices, other than the
27 state lottery as defined in RCW 67.70.010, in which the outcome
28 depends in a material degree upon an element of chance,
29 notwithstanding that skill of the contestants may also be a factor in
30 the outcome. The term includes social card games, bingo, raffle, and
31 punchboard games, and pull-tabs as defined in chapter 9.46 RCW. The
32 term does not include race meets for the conduct of which a license
33 must be secured from the Washington horse racing commission, or
34 "amusement game" as defined in RCW 9.46.0201.

1 (4) "Gross income of the business" does not include the monetary
2 value or actual cost of any prizes that are awarded, amounts paid to
3 players for winning wagers, accrual of prizes for progressive jackpot
4 contests, or repayment of amounts used to seed guaranteed progressive
5 jackpot prizes.

6
7 **Sec. 27.** RCW 82.04.286 and 2005 c 369 s 6 are each amended to
8 read as follows:

9 (1) Upon every person engaging within this state in the business
10 of conducting race meets for the conduct of which a license must be
11 secured from the Washington horse racing commission; as to such
12 persons, the amount of tax with respect to the business of parimutuel
13 wagering is equal to the gross income of the business derived from
14 parimutuel wagering multiplied by the rate of 0.1 percent through June
15 30, 2006, and (~~(0.13)~~) 0.2904 percent thereafter. The money collected
16 under this section shall be deposited in the problem gambling account
17 created in RCW 43.20A.892.

18 (2) For purposes of this section, "gross income of the business"
19 does not include amounts paid to players for winning wagers, or taxes
20 imposed or other distributions required under chapter 67.16 RCW.

21 (3) The tax imposed under this section is in addition to any tax
22 imposed under chapter 67.16 RCW.

23
24 **Sec. 28.** RCW 82.04.2905 and 1998 c 312 s 7 are each amended to
25 read as follows:

26 Upon every person engaging within this state in the business of
27 providing child care for periods of less than twenty-four hours; as to
28 such persons the amount of tax with respect to such business shall be
29 equal to the gross proceeds derived from such sales multiplied by the
30 rate of (~~(0.484)~~) 0.2904 percent.

31
32 **Sec. 29.** RCW 82.04.2906 and 2003 c 343 s 1 are each amended to
33 read as follows:

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1 (1) Upon every person engaging within this state in the business
2 of providing intensive inpatient or recovery house residential
3 treatment services for chemical dependency, certified by the
4 department of social and health services, for which payment from the
5 United States or any instrumentality thereof or from the state of
6 Washington or any municipal corporation or political subdivision
7 thereof is received as compensation for or to support those services;
8 as to such persons the amount of tax with respect to such business
9 shall be equal to the gross income from such services multiplied by
10 the rate of (~~0.484~~) 0.2904 percent.

11 (2) If the persons described in subsection (1) of this section
12 receive income from sources other than those described in subsection
13 (1) of this section or provide services other than those named in
14 subsection (1) of this section, that income and those services are
15 subject to tax as otherwise provided in this chapter.

16
17 **Sec. 30.** RCW 82.04.2907 and 2010 1st sp.s. c 23 s 107 are each
18 amended to read as follows:

19 (1) Upon every person engaging within this state in the business
20 of receiving income from royalties, the amount of tax with respect to
21 the business is equal to the gross income from royalties multiplied by
22 the rate of (~~0.484~~) 0.2904 percent.

23 (2) For the purposes of this section, "gross income from
24 royalties" means compensation for the use of intangible property,
25 including charges in the nature of royalties, regardless of where the
26 intangible property will be used. For purposes of this subsection,
27 "intangible property" includes copyrights, patents, licenses,
28 franchises, trademarks, trade names, and similar items. "Gross income
29 from royalties" does not include compensation for any natural
30 resource, the licensing of prewritten computer software to the end
31 user, or the licensing of digital goods, digital codes, or digital
32 automated services to the end user as defined in RCW 82.04.190(11).

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1 **Sec. 31.** RCW 82.04.2908 and 2012 c 10 s 70 are each amended to
2 read as follows:

3 (1) Upon every person engaging within this state in the business
4 of providing room and domiciliary care to residents of an assisted
5 living facility licensed under chapter 18.20 RCW, the amount of tax
6 with respect to such business shall be equal to the gross income of
7 the business, multiplied by the rate of (~~(0.275)~~) 0.2904 percent.

8 (2) For the purposes of this section, "domiciliary care" has the
9 meaning provided in RCW 18.20.020.

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11 **Sec. 32.** RCW 82.04.294 and 2013 2nd sp.s. c 13 s 902 are each
12 amended to read as follows:

13 (1) Upon every person engaging within this state in the business
14 of manufacturing solar energy systems using photovoltaic modules or
15 stirling converters, or of manufacturing solar grade silicon, silicon
16 solar wafers, silicon solar cells, thin film solar devices, or
17 compound semiconductor solar wafers to be used exclusively in
18 components of such systems; as to such persons the amount of tax with
19 respect to such business is, in the case of manufacturers, equal to
20 the value of the product manufactured, or in the case of processors
21 for hire, equal to the gross income of the business, multiplied by the
22 rate of (~~(0.275)~~) 0.2904 percent.

23 (2) Upon every person engaging within this state in the business
24 of making sales at wholesale of solar energy systems using
25 photovoltaic modules or stirling converters, or of solar grade
26 silicon, silicon solar wafers, silicon solar cells, thin film solar
27 devices, or compound semiconductor solar wafers to be used exclusively
28 in components of such systems, manufactured by that person; as to such
29 persons the amount of tax with respect to such business is equal to
30 the gross proceeds of sales of the solar energy systems using
31 photovoltaic modules or stirling converters, or of the solar grade
32 silicon to be used exclusively in components of such systems,
33 multiplied by the rate of (~~(0.275)~~) 0.2904 percent.

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1 (3) Silicon solar wafers, silicon solar cells, thin film solar
2 devices, solar grade silicon, or compound semiconductor solar wafers
3 are "semiconductor materials" for the purposes of RCW 82.08.9651 and
4 82.12.9651.

5 (4) The definitions in this subsection apply throughout this
6 section.

7 (a) "Compound semiconductor solar wafers" means a semiconductor
8 solar wafer composed of elements from two or more different groups of
9 the periodic table.

10 (b) "Module" means the smallest nondivisible self-contained
11 physical structure housing interconnected photovoltaic cells and
12 providing a single direct current electrical output.

13 (c) "Photovoltaic cell" means a device that converts light
14 directly into electricity without moving parts.

15 (d) "Silicon solar cells" means a photovoltaic cell manufactured
16 from a silicon solar wafer.

17 (e) "Silicon solar wafers" means a silicon wafer manufactured for
18 solar conversion purposes.

19 (f) "Solar energy system" means any device or combination of
20 devices or elements that rely upon direct sunlight as an energy source
21 for use in the generation of electricity.

22 (g) "Solar grade silicon" means high-purity silicon used
23 exclusively in components of solar energy systems using photovoltaic
24 modules to capture direct sunlight. "Solar grade silicon" does not
25 include silicon used in semiconductors.

26 (h) "Stirling converter" means a device that produces electricity
27 by converting heat from a solar source utilizing a stirling engine.

28 (i) "Thin film solar devices" means a nonparticipating substrate
29 on which various semiconducting materials are deposited to produce a
30 photovoltaic cell that is used to generate electricity.

31 (5) A person reporting under the tax rate provided in this section
32 must file a complete annual survey with the department under RCW
33 82.32.585.

34 (6) This section expires June 30, 2017.

1 **Sec. 33.** RCW 82.04.298 and 2011 c 2 s 204 (Initiative Measure No.
2 1107, approved November 2, 2010) are each amended to read as follows:

3 (1) The amount of tax with respect to a qualified grocery
4 distribution cooperative's sales of groceries or related goods for
5 resale, excluding items subject to tax under RCW 82.04.260(4), to
6 customer-owners of the grocery distribution cooperative is equal to
7 the gross proceeds of sales of the grocery distribution cooperative
8 multiplied by the rate of (~~one and one-half~~) 0.2904 percent.

9 (2) A qualified grocery distribution cooperative is allowed a
10 deduction from the gross proceeds of sales of groceries or related
11 goods for resale, excluding items subject to tax under RCW
12 82.04.260(4), to customer-owners of the grocery distribution
13 cooperative that is equal to the portion of the gross proceeds of
14 sales for resale that represents the actual cost of the merchandise
15 sold by the grocery distribution cooperative to customer-owners.

16 (3) The definitions in this subsection apply throughout this
17 section unless the context clearly requires otherwise.

18 (a) "Grocery distribution cooperative" means an entity that sells
19 groceries and related items to customer-owners of the grocery
20 distribution cooperative and has customer-owners, in the aggregate,
21 who own a majority of the outstanding ownership interests of the
22 grocery distribution cooperative or of the entity controlling the
23 grocery distribution cooperative. "Grocery distribution cooperative"
24 includes an entity that controls a grocery distribution cooperative.

25 (b) "Qualified grocery distribution cooperative" means:

26 (i) A grocery distribution cooperative that has been determined by
27 a court of record of the state of Washington to be not engaged in
28 wholesaling or making sales at wholesale, within the meaning of RCW
29 82.04.270 or any similar provision of a municipal ordinance that
30 imposes a tax on gross receipts, gross proceeds of sales, or gross
31 income, with respect to purchases made by customer-owners, and
32 subsequently changes its form of doing business to make sales at
33 wholesale of groceries or related items to its customer-owners; or

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1 (ii) A grocery distribution cooperative that has acquired
2 substantially all of the assets of a grocery distribution cooperative
3 described in (b)(i) of this subsection.

4 (c) "Customer-owner" means a person who has an ownership interest
5 in a grocery distribution cooperative and purchases groceries and
6 related items at wholesale from that grocery distribution cooperative.

7 (d) "Controlling" means holding fifty percent or more of the
8 voting interests of an entity and having at least equal power to
9 direct or cause the direction of the management and policies of the
10 entity, whether through the ownership of voting securities, by
11 contract, or otherwise."

12
13 Renumber the remaining sections consecutively and correct any
14 internal references accordingly. Correct the title.

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EFFECT: Changes various business and occupation tax rates so
that the rate for all business and occupation taxes is set at a
uniform 0.2904 percent.

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