

SSB 6102 - S AMD 474
By Senator Ericksen

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) This section is the tax preference
4 performance statement for the tax preference contained in sections 2
5 and 3 of this act. This performance statement is only intended to be
6 used for subsequent evaluation of the tax preference. It is not
7 intended to create a private right of action by any party or be used to
8 determine eligibility for preferential tax treatment.

9 (2) The legislature categorizes this tax preference as intended to
10 extend the purchasing power of funds for highway construction,
11 maintenance, and improvements when such funds are acquired through
12 indebtedness.

13 (3) The legislature's specific public policy goal is to reduce the
14 cost of highway projects when such projects are funded through debt.

15 (4) The department of transportation must provide the data
16 necessary to perform a review to the joint legislative audit and review
17 committee during the year in which the review will be conducted.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
19 to read as follows:

20 (1) The tax levied by RCW 82.08.020 does not apply to purchases, or
21 portions of purchases, for highway construction, maintenance, or
22 improvement of facilities owned by the state, when the purchase is made
23 with moneys acquired by the department of transportation from
24 indebtedness.

25 (2) The definitions in this subsection apply throughout this
26 section unless the context clearly requires otherwise.

27 (a) "Indebtedness" means all debt incurred by the state for a term
28 greater than one year and does not include debt to other governments or
29 governmental funds.

1 (b) "Portions of purchases" means those portions of a purchase that
2 were made from indebtedness when the total purchase was made from
3 multiple fund sources.

4 (3) The exemption under this section is available only when the
5 buyer provides the seller with an exemption certificate in a form and
6 manner prescribed by the department. The seller must retain a copy of
7 the certificate for the seller's files.

8 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
9 to read as follows:

10 (1) The provisions of this chapter do not apply with respect to the
11 use of any items used for highway construction, maintenance, or
12 improvement of a facility owned by the state, when the items were
13 purchased with moneys acquired by the state from indebtedness.

14 (2) When the item used was acquired by purchase through multiple
15 fund sources, only the amount that was purchased by moneys acquired
16 from indebtedness qualify for the exemption under this section.

17 (3) For the purposes of this section, the requirements in section
18 1 of this act apply.

19 (4) For the purposes of this section, the definitions in section 2
20 of this act apply.

21 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2014."

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22 On page 1, line 1 of the title, after "Relating to" strike the
23 remainder of the title and insert "a sales and use tax exemption
24 provided to the state on highway-related construction when the funds
25 used were obtained from indebtedness; adding a new section to chapter
26 82.08 RCW; adding a new section to chapter 82.12 RCW; creating a new
27 section; and providing an effective date."

EFFECT: Strikes the entirety of the underlying substitute bill.

Exempts purchases for state highway construction, maintenance, or improvement of facilities made with money acquired through indebtedness from the state sales and use tax.

Identifies this exemption as a tax preference, which is intended to extend the purchasing power of funds for highway construction, maintenance, and improvements when such funds are acquired through indebtedness.

Provides an effective date of July 1, 2014.

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