

---

SENATE BILL 5993

---

State of Washington

63rd Legislature

2014 Regular Session

By Senator Ericksen

Read first time 01/13/14. Referred to Committee on Ways & Means.

1 AN ACT Relating to a sales tax exemption provided to state and  
2 local government on purchases made with debt proceeds; adding a new  
3 section to chapter 82.08 RCW; adding a new section to chapter 82.12  
4 RCW; and providing an effective date.

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) The tax levied by RCW 82.08.020 does not apply to purchases, or  
9 portions of purchases, by state and local governments that would  
10 otherwise be subject to the tax under this chapter, when they are  
11 purchased with moneys acquired by a state or local government from  
12 indebtedness.

13 (2) As used in this section "portions or purchases" are those  
14 portions of a purchase that were made from indebtedness when the total  
15 purchase was made from multiple fund sources.

16 (3) As used in this section, "indebtedness" means all debt issued  
17 by state or local governments for a term greater than one year and does  
18 not include debt to other governments or governmental funds.

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

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

7           (1) The provisions of this chapter do not apply with respect to the  
8 use of any items by state or local governments that otherwise would be  
9 subject to the tax under this chapter when the items were purchased  
10 with moneys acquired by a state or local government from indebtedness.

11           (2) When the item used was acquired by purchase through multiple  
12 funds sources, only the amount that was purchased by moneys acquired  
13 from indebtedness qualify for the exemption under this section.

14           (3) For the purposes of this section the definitions and  
15 requirements in section 1 of this act apply.

16           NEW SECTION. **Sec. 3.** This act takes effect July 1, 2014.

--- END ---