
SENATE BILL 6322

State of Washington

63rd Legislature

2014 Regular Session

By Senators Brown, Hewitt, Angel, Ericksen, Bailey, Honeyford, Dammeier, Braun, Becker, and Parlette

Read first time 01/21/14. Referred to Committee on Energy, Environment & Telecommunications.

1 AN ACT Relating to providing telecommunications investment
2 incentives; adding a new section to chapter 82.08 RCW; adding a new
3 section to chapter 82.12 RCW; creating a new section; and providing an
4 effective date.

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

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

12 (2) The legislature categorizes this tax preference as one intended
13 to create or retain jobs, as indicated in RCW 82.32.808(2)(c).

14 (3) It is the legislature's specific public policy objective to
15 increase the number of jobs in the telecommunications industry in
16 Washington. It is the legislature's intent to exempt from the tax
17 levied by RCW 82.08.020 telecommunications machinery and equipment, or
18 tangible personal property that becomes an ingredient or component of
19 telecommunications machinery and equipment, thereby increasing the

1 ability of these firms to invest in and expand their Washington
2 operations, thereby increasing the number of jobs in the
3 telecommunications industry in Washington.

4 (4) If a review finds that the number of jobs in the
5 telecommunications industry in Washington has increased by ten percent
6 compared to the number of those jobs at the time of enactment, then the
7 legislature intends to extend the expiration date of the tax
8 preference.

9 (5) In order to obtain the data necessary to perform the review in
10 subsection (4) of this section, the joint legislative audit and review
11 committee may refer to:

12 (a) The annual survey that a taxpayer reporting under the tax rate
13 provided in section 2 of this act must file with the department of
14 revenue per RCW 82.32.585; and

15 (b) Employment data available from the employment security
16 department.

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

19 (1) Subject to the provisions of this section, the tax levied by
20 RCW 82.08.020 does not apply to sales of telecommunications machinery
21 and equipment, or to sales of tangible personal property that becomes
22 an ingredient or component of telecommunications machinery and
23 equipment.

24 (2) For the purposes of this section, "telecommunications machinery
25 and equipment" means machinery, equipment, and network software that
26 is: Capable of directly sending, receiving, or storing voice or data
27 communications; or used to enable, facilitate, maintain, or monitor a
28 telecommunications network. "Telecommunications machinery and
29 equipment" includes, but is not limited to: Antennas, amplifiers,
30 wires, cable, fiber optic cable, rectifiers, duplexers, triplexers,
31 multiplexers, receivers, repeaters, transmitters, power equipment,
32 modems, routers, storage devices, closures, conduits, controllers,
33 filters, input devices, insulators, microwave equipment, output
34 devices, pedestals, power converters, radio channels, terminals, timing
35 units, transformers, bridges, network computers, cross connects, plug-
36 in circuitry, oscillators, network software, servers, power transport

1 equipment, test equipment, connectors, attenuators, circuit switches,
2 analog electronic switches, digital electronic switches, and switches
3 for operator assistance.

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

6 (1) The provisions of this chapter do not apply to the use of
7 telecommunications machinery and equipment, or to the use of tangible
8 personal property that becomes an ingredient or component of
9 telecommunications machinery and equipment.

10 (2) The definitions in section 2 of this act apply to this section.

11 NEW SECTION. **Sec. 4.** This act takes effect August 1, 2014.

--- END ---