
SUBSTITUTE SENATE BILL 5275

State of Washington

64th Legislature

2015 Regular Session

By Senate Ways & Means (originally sponsored by Senators Schoesler, Hargrove, Hill, Sheldon, and Hewitt)

READ FIRST TIME 02/10/15.

1 AN ACT Relating to tax code improvements that do not affect state
2 revenue collections; amending RCW 84.41.030, 84.41.041, 84.48.034,
3 46.71.090, 82.08.900, 82.04.627, 82.04.750, 82.08.9995, 82.12.9995,
4 82.08.0262, 82.12.0254, 82.24.550, 82.26.220, 82.32.020, 82.32.070,
5 82.32.080, 84.36.041, 84.38.030, 84.39.010, 84.64.060, 84.64.070, and
6 82.32.740; and repealing RCW 82.04.395, 82.04.397, 82.04.4333,
7 82.04.4485, 82.08.0265, 82.14.220, and 82.24.235.

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

9 **Part I**

10 **Eliminating obsolete and redundant statutory provisions**

11 NEW SECTION. **Sec. 101.** The following acts or parts of acts are
12 each repealed:

13 (1) RCW 82.04.395 (Exemptions—Certain materials printed in school
14 district and educational service district printing facilities) and
15 1979 ex.s. c 196 s 12;

16 (2) RCW 82.04.397 (Exemptions—Certain materials printed in
17 county, city, or town printing facilities) and 1979 ex.s. c 196 s 14;

18 (3) RCW 82.04.4333 (Credit—Job training services—Approval) and
19 1996 c 1 s 4;

1 (4) RCW 82.04.4485 (Credit—Mechanical lifting devices purchased
2 by hospitals) and 2006 c 165 s 5;

3 (5) RCW 82.08.0265 (Exemptions—Sales to nonresidents of tangible
4 personal property which becomes a component of property of the
5 nonresident by installing, repairing, etc.—Labor and services for
6 installing, repairing, etc.) and 1980 c 37 s 32;

7 (6) RCW 82.14.220 (Figures for apportionments and distributions
8 under RCW 82.14.200 and 82.14.210) and 1984 c 225 s 4; and

9 (7) RCW 82.24.235 (Rules) and 1995 c 278 s 15.

10 **Sec. 102.** RCW 84.41.030 and 2009 c 308 s 1 are each amended to
11 read as follows:

12 (1) Each county assessor (~~((shall))~~) must maintain an active and
13 systematic program of revaluation on a continuous basis(~~(, and shall~~
14 ~~establish a revaluation schedule which will result in revaluation of~~
15 ~~all taxable real property within the county at least once each four~~
16 ~~years and physical inspection of all taxable real property within the~~
17 ~~county at least once each six years))~~). All taxable real property
18 within a county must be revalued annually, and all taxable real
19 property within a county must be physically inspected at least once
20 every six years. Each county assessor may disregard any program of
21 revaluation, if requested by a property owner, and change, as
22 appropriate, the valuation of real property upon the receipt of a
23 notice of decision received under RCW 36.70B.130 or chapter 35.22,
24 35.63, 35A.63, or 36.70 RCW pertaining to the value of the real
25 property.

26 (2) (~~((Not later than January 1, 2014, all taxable real property~~
27 ~~within a county must be revalued annually and all taxable real~~
28 ~~property within a county must be physically inspected at least once~~
29 ~~each six years. This mandate is conditional upon the department of~~
30 ~~revenue providing the necessary guidance and financial assistance to~~
31 ~~those counties that are not on an annual revaluation cycle so that~~
32 ~~they may convert to an annual revaluation cycle including, but not~~
33 ~~limited to, appropriate data collection methods and coding,~~
34 ~~neighborhood and market delineation, statistical analysis, valuation~~
35 ~~guidelines, and training.))~~) The department will provide advisory
36 appraisals of industrial properties valued at twenty-five million
37 dollars or more in real and personal property value when requested by
38 the county assessor.

1 ~~((3) In recognition of the need for immediate action, the~~
2 ~~department of revenue is directed to conduct a pilot project on at~~
3 ~~least one county that is prepared to move from cyclical to annual~~
4 ~~revaluation by December 31, 2009. The pilot project will develop the~~
5 ~~expertise necessary to provide counties with neighborhood and market~~
6 ~~delineation, statistical analysis, valuation guidelines, and~~
7 ~~training. The department of revenue must use the expertise gained in~~
8 ~~this pilot project to facilitate the conversion of cyclical counties~~
9 ~~to annual revaluation and ongoing refinement of assessment processes~~
10 ~~statewide. The department may contract with a local government~~
11 ~~association representing county assessors and other county elected~~
12 ~~officials in carrying out the requirements of this subsection.))~~

13 **Sec. 103.** RCW 84.41.041 and 2009 c 308 s 2 are each amended to
14 read as follows:

15 (1) Each county assessor ~~((shall))~~ must cause taxable real
16 property to be physically inspected and valued at least once every
17 six years in accordance with RCW 84.41.030, and in accordance with a
18 plan filed with and approved by the department of revenue. Such
19 revaluation plan ~~((shall))~~ must provide that ~~((a reasonable portion~~
20 ~~of))~~ all taxable real property within a county ~~((shall))~~ must be
21 revalued and these newly determined values placed on the assessment
22 rolls each year. ~~((Until January 1, 2014, the department may approve~~
23 ~~a plan that provides that all property in the county be revalued~~
24 ~~every two years. If the revaluation plan provides for physical~~
25 ~~inspection at least once each four years,))~~ Property must be valued
26 at one hundred percent of its true and fair value and assessed on the
27 same basis, in accordance with RCW 84.40.030, unless specifically
28 provided otherwise by law. During the intervals between each physical
29 inspection of real property, the valuation of such property may be
30 adjusted to its current true and fair value, such adjustments to be
31 based upon appropriate statistical data. If the revaluation plan
32 provides for physical inspection less frequently than once each four
33 years, during the intervals between each physical inspection of real
34 property, the valuation of such property ((shall)) must be adjusted
35 to its current true and fair value, such adjustments to be made once
36 each year and to be based upon appropriate statistical data.

37 (2) The assessor may require property owners to submit pertinent
38 data respecting taxable property in their control including data
39 respecting any sale or purchase of said property within the past five

1 years, the cost and characteristics of any improvement on the
2 property and other facts necessary for appraisal of the property.

3 **Sec. 104.** RCW 84.48.034 and 1994 c 301 s 47 are each amended to
4 read as follows:

5 The board of equalization may enter an order that has effect up
6 to the end of the assessment (~~cycle used by the assessor~~) year, if
7 there has been no intervening change in the value during that time.

8 **Part II**

9 **Promoting administrative efficiencies**

10 **Sec. 201.** RCW 46.71.090 and 1993 c 424 s 13 are each amended to
11 read as follows:

12 When the department of revenue issues a registration certificate
13 under RCW 82.32.030 to an automotive repair facility, it (~~shall~~)
14 must give written notice to the person of the requirements of this
15 chapter in a manner prescribed by the director of revenue, including
16 by electronic means. The department of revenue (~~shall thereafter~~
17 ~~give the notice on an annual basis in conjunction with the business~~
18 ~~and occupation tax return provided to each person holding a~~
19 ~~registration certificate as an automotive repair facility~~) must also
20 post information about the requirements of this chapter on its public
21 web site.

22 **Sec. 202.** RCW 82.08.900 and 2006 c 151 s 4 are each amended to
23 read as follows:

24 (1) The tax levied by RCW 82.08.020 does not apply to sales to an
25 eligible person establishing or operating an anaerobic digester or to
26 services rendered in respect to installing, constructing, repairing,
27 cleaning, altering, or improving an anaerobic digester, or to sales
28 of tangible personal property that becomes an ingredient or component
29 of the anaerobic digester. The anaerobic digester must be used
30 primarily to treat livestock manure.

31 (~~(2)(a) The department of revenue must provide an exemption~~
32 ~~certificate to an eligible person upon application by that person.~~
33 ~~The application must be in a form and manner prescribed by the~~
34 ~~department and must contain information regarding the location of the~~
35 ~~facility and other information as the department may require.~~

1 manufactured in compliance with a government or established industry
2 specification;

3 (b) Sales of a product produced under a technical standard order
4 authorization or letter of technical standard order design approval
5 pursuant to federal aviation regulation part 21, subpart O; or

6 (c) Sales of parts in respect to which final testing or
7 inspection under federal aviation regulation part 21, subpart F or G
8 takes place in this state.

9 (3) "Commercial airplane" has the same meaning given in RCW
10 82.32.550.

11 **Sec. 302.** RCW 82.04.750 and 2011 c 55 s 1 are each amended to
12 read as follows:

13 (1) This chapter does not apply (~~to restaurants~~) in respect to
14 meals provided by a restaurant without specific charge to its
15 employees.

16 (2) For the purposes of this section, the definitions in RCW
17 82.08.9995 apply.

18 **Sec. 303.** RCW 82.08.9995 and 2011 c 55 s 2 are each amended to
19 read as follows:

20 (1) The tax levied by RCW 82.08.020 does not apply to a meal
21 provided without specific charge (~~to an employee~~) by a restaurant
22 to its employees.

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

25 (a) "Meal" means one or more items of prepared food or beverages
26 other than alcoholic beverages. For the purposes of this subsection,
27 "alcoholic beverage" and "prepared food" have the same meanings as
28 provided in RCW 82.08.0293.

29 (b) "Restaurant" means any establishment having special space and
30 accommodation where food and beverages are regularly sold to the
31 public for immediate, but not necessarily on-site, consumption, but
32 excluding grocery stores, mini-markets, and convenience stores.
33 Restaurant includes, but is not limited to, lunch counters, diners,
34 coffee shops, espresso shops or bars, concession stands or counters,
35 delicatessens, and cafeterias. It also includes space and
36 accommodations where food and beverages are sold to the public for
37 immediate consumption that are located within hotels, motels, lodges,
38 boarding houses, bed and breakfast facilities, hospitals, office

1 buildings, movie theaters, and schools, colleges, or universities, if
2 a separate charge is made for such food or beverages. Mobile sales
3 units that sell food or beverages for immediate consumption within a
4 place, the entrance to which is subject to an admission charge, are
5 "restaurants." So too are public and private carriers, such as trains
6 and vessels, that sell food or beverages for immediate consumption if
7 a separate charge for the food and/or beverages is made. A restaurant
8 is open to the public for purposes of this section if members of the
9 public can be served as guests. "Restaurant" does not include
10 businesses making sales through vending machines or through mobile
11 sales units such as catering trucks or sidewalk vendors of food or
12 beverage items.

13 **Sec. 304.** RCW 82.12.9995 and 2011 c 55 s 3 are each amended to
14 read as follows:

15 (1) The provisions of this chapter do not apply in respect to a
16 meal provided without specific charge (~~to an employee~~) by a
17 restaurant to its employees.

18 (2) For the purposes of this section, the definitions in RCW
19 82.08.9995 apply.

20 **Sec. 305.** RCW 82.08.0262 and 2009 c 503 s 1 are each amended to
21 read as follows:

22 (1) The tax levied by RCW 82.08.020 does not apply to:

23 (a) Sales of airplanes (i) to the United States government; (ii)
24 for use in conducting interstate or foreign commerce by transporting
25 property or persons for hire or by performing services under a
26 contract with the United States government; or (iii) for use in
27 providing intrastate air transportation by a commuter air carrier;

28 (b) Sales of locomotives, railroad cars, or watercraft for use in
29 conducting interstate or foreign commerce by transporting (~~therein~~
30 ~~or therewith~~) property (~~and~~) or persons for hire or for use in
31 conducting commercial deep sea fishing operations outside the
32 territorial waters of the state;

33 (c) Sales of tangible personal property that becomes a component
34 part of such airplanes, locomotives, railroad cars, or watercraft,
35 and of motor vehicles or trailers whether owned by or leased with or
36 without drivers and used by the holder of a carrier permit issued by
37 the interstate commerce commission or its successor agency
38 authorizing transportation by motor vehicle across the boundaries of

1 this state, in the course of constructing, repairing, cleaning,
2 altering, or improving the same; and

3 (d) Sales of or charges made for labor and services rendered in
4 respect to such constructing, repairing, cleaning, altering, or
5 improving.

6 (2) The term "commuter air carrier" means an air carrier holding
7 authority under Title 14, Part 298 of the code of federal regulations
8 that carries passengers on at least five round trips per week on at
9 least one route between two or more points according to its published
10 flight schedules that specify the times, days of the week, and places
11 between which those flights are performed.

12 **Sec. 306.** RCW 82.12.0254 and 2010 c 161 s 905 are each amended
13 to read as follows:

14 (1) The provisions of this chapter do not apply in respect to the
15 use of:

16 (a) Any airplane used primarily in (i) conducting interstate or
17 foreign commerce by transporting property or persons for hire or by
18 performing services under a contract with the United States
19 government or (ii) providing intrastate air transportation by a
20 commuter air carrier as defined in RCW 82.08.0262;

21 (b) Any locomotive, railroad car, or watercraft used primarily in
22 conducting interstate or foreign commerce by transporting (~~therein~~
23 ~~or therewith~~) property (~~and~~) or persons for hire or used primarily
24 in commercial deep sea fishing operations outside the territorial
25 waters of the state;

26 (c) Tangible personal property that becomes a component part of
27 any such airplane, locomotive, railroad car, or watercraft in the
28 course of repairing, cleaning, altering, or improving the same; and

29 (d) Labor and services rendered in respect to such repairing,
30 cleaning, altering, or improving.

31 (2) The provisions of this chapter do not apply in respect to the
32 use by a nonresident of this state of any vehicle used exclusively in
33 transporting persons or property across the boundaries of this state
34 and in intrastate operations incidental thereto when such vehicle is
35 registered in a foreign state and in respect to the use by a
36 nonresident of this state of any vehicle so registered and used
37 within this state for a period not exceeding fifteen consecutive days
38 under such rules as the department must adopt. However, under
39 circumstances determined to be justifiable by the department a second

1 fifteen day period may be authorized consecutive with the first
2 fifteen day period; and for the purposes of this exemption the term
3 "nonresident" as used herein includes a user who has one or more
4 places of business in this state as well as in one or more other
5 states, but the exemption for nonresidents applies only to those
6 vehicles which are most frequently dispatched, garaged, serviced,
7 maintained, and operated from the user's place of business in another
8 state.

9 (3) The provisions of this chapter do not apply in respect to the
10 use by the holder of a carrier permit issued by the interstate
11 commerce commission or its successor agency of any vehicle whether
12 owned by or leased with or without driver to the permit holder and
13 used in substantial part in the normal and ordinary course of the
14 user's business for transporting therein persons or property for hire
15 across the boundaries of this state; and in respect to the use of any
16 vehicle while being operated under the authority of a trip permit
17 issued by the director of licensing pursuant to RCW 46.16A.320 and
18 moving upon the highways from the point of delivery in this state to
19 a point outside this state; and in respect to the use of tangible
20 personal property which becomes a component part of any vehicle used
21 by the holder of a carrier permit issued by the interstate commerce
22 commission or its successor agency authorizing transportation by
23 motor vehicle across the boundaries of this state whether such
24 vehicle is owned by or leased with or without driver to the permit
25 holder, in the course of repairing, cleaning, altering, or improving
26 the same; also the use of labor and services rendered in respect to
27 such repairing, cleaning, altering, or improving.

28 **Sec. 307.** RCW 82.24.550 and 2009 c 154 s 2 are each amended to
29 read as follows:

30 (1) The board (~~shall~~) must enforce the provisions of this
31 chapter. The board may adopt, amend, and repeal rules necessary to
32 enforce (~~and administer~~) the provisions of this chapter.

33 (2) The department may adopt, amend, and repeal rules necessary
34 to administer the provisions of this chapter. The board may revoke or
35 suspend the license or permit of any wholesale or retail cigarette
36 dealer in the state upon sufficient cause appearing of the violation
37 of this chapter or upon the failure of such licensee to comply with
38 any of the provisions of this chapter.

1 (3) A license (~~shall~~) may not be suspended or revoked except
2 upon notice to the licensee and after a hearing as prescribed by the
3 board. The board, upon finding that the licensee has failed to comply
4 with any provision of this chapter or any rule adopted under this
5 chapter, (~~shall~~) must, in the case of the first offense, suspend
6 the license or licenses of the licensee for a period of not less than
7 thirty consecutive business days, and, in the case of a second or
8 further offense, (~~shall~~) must suspend the license or licenses for a
9 period of not less than ninety consecutive business days nor more
10 than twelve months, and, in the event the board finds the licensee
11 has been guilty of willful and persistent violations, it may revoke
12 the license or licenses.

13 (4) Any licenses issued under chapter 82.26 RCW to a person whose
14 license or licenses have been suspended or revoked under this section
15 (~~shall~~) must also be suspended or revoked during the period of
16 suspension or revocation under this section.

17 (5) Any person whose license or licenses have been revoked under
18 this section may reapply to the board at the expiration of one year
19 from the date of revocation of the license or licenses. The license
20 or licenses may be approved by the board if it appears to the
21 satisfaction of the board that the licensee will comply with the
22 provisions of this chapter and the rules adopted under this chapter.

23 (6) A person whose license has been suspended or revoked
24 (~~shall~~) may not sell cigarettes or tobacco products or permit
25 cigarettes or tobacco products to be sold during the period of such
26 suspension or revocation on the premises occupied by the person or
27 upon other premises controlled by the person or others or in any
28 other manner or form whatever.

29 (7) Any determination and order by the board, and any order of
30 suspension or revocation by the board of the license or licenses
31 issued under this chapter, or refusal to reinstate a license or
32 licenses after revocation (~~shall be~~) is reviewable by an appeal to
33 the superior court of Thurston county. The superior court (~~shall~~)
34 must review the order or ruling of the board and may hear the matter
35 de novo, having due regard to the provisions of this chapter and the
36 duties imposed upon the board.

37 (8) If the board makes an initial decision to deny a license or
38 renewal, or suspend or revoke a license, the applicant may request a
39 hearing subject to the applicable provisions under Title 34 RCW.

1 (9) For purposes of this section, "tobacco products" has the same
2 meaning as in RCW 82.26.010.

3 **Sec. 308.** RCW 82.26.220 and 2009 c 154 s 8 are each amended to
4 read as follows:

5 (1) The board (~~shall~~) must enforce this chapter. The board may
6 adopt, amend, and repeal rules necessary to enforce (~~and~~
7 ~~administer~~) this chapter.

8 (2) The department may adopt, amend, and repeal rules necessary
9 to administer this chapter. The board may revoke or suspend the
10 distributor's or retailer's license of any distributor or retailer of
11 tobacco products in the state upon sufficient cause showing a
12 violation of this chapter or upon the failure of the licensee to
13 comply with any of the rules adopted under it.

14 (3) A license (~~shall~~) may not be suspended or revoked except
15 upon notice to the licensee and after a hearing as prescribed by the
16 board. The board, upon finding that the licensee has failed to comply
17 with any provision of this chapter or of any rule adopted under it,
18 (~~shall~~) must, in the case of the first offense, suspend the license
19 or licenses of the licensee for a period of not less than thirty
20 consecutive business days, and in the case of a second or further
21 offense, suspend the license or licenses for a period of not less
22 than ninety consecutive business days but not more than twelve
23 months, and in the event the board finds the licensee has been guilty
24 of willful and persistent violations, it may revoke the license or
25 licenses.

26 (4) Any licenses issued under chapter 82.24 RCW to a person whose
27 license or licenses have been suspended or revoked under this section
28 (~~shall~~) must also be suspended or revoked during the period of
29 suspension or revocation under this section.

30 (5) Any person whose license or licenses have been revoked under
31 this section may reapply to the board at the expiration of one year
32 of the license or licenses. The license or licenses may be approved
33 by the board if it appears to the satisfaction of the board that the
34 licensee will comply with the provisions of this chapter and the
35 rules adopted under it.

36 (6) A person whose license has been suspended or revoked
37 (~~shall~~) may not sell tobacco products or cigarettes or permit
38 tobacco products or cigarettes to be sold during the period of
39 suspension or revocation on the premises occupied by the person or

1 upon other premises controlled by the person or others or in any
2 other manner or form.

3 (7) Any determination and order by the board, and any order of
4 suspension or revocation by the board of the license or licenses
5 issued under this chapter, or refusal to reinstate a license or
6 licenses after revocation is reviewable by an appeal to the superior
7 court of Thurston county. The superior court (~~shall~~) must review
8 the order or ruling of the board and may hear the matter de novo,
9 having due regard to the provisions of this chapter and the duties
10 imposed upon the board.

11 (8) If the board makes an initial decision to deny a license or
12 renewal, or suspend or revoke a license, the applicant may request a
13 hearing subject to the applicable provisions under Title 34 RCW.

14 **Sec. 309.** RCW 82.32.020 and 2009 c 535 s 1111 are each amended
15 to read as follows:

16 For the purposes of this chapter:

17 (1) The meaning attributed in chapters 82.01 through 82.27 RCW to
18 the words and phrases "tax year," "taxable year," "person,"
19 "company," "gross proceeds of sales," "gross income of the business,"
20 "business," "engaging in business," "successor," "gross operating
21 revenue," "gross income," "taxpayer," "retail sale," "seller,"
22 "buyer," "purchaser," "extended warranty," and "value of products"
23 (~~shall~~) apply equally to the provisions of this chapter.

24 (2) Unless the context clearly requires otherwise, the term "tax"
25 includes any monetary exaction, regardless of its label, that the
26 department is responsible for collecting, but not including interest,
27 penalties, the surcharge imposed in RCW 40.14.027, or fees incurred
28 by the department and recouped from taxpayers.

29 (3) Whenever "property" or "personal property" is used, those
30 terms must be construed to include digital goods and digital codes
31 unless: (a) It is clear from the context that the term "personal
32 property" is intended only to refer to tangible personal property;
33 (b) it is clear from the context that the term "property" is intended
34 only to refer to tangible personal property, real property, or both;
35 or (c) to construe the term "property" or "personal property" as
36 including digital goods and digital codes would yield unlikely,
37 absurd, or strained consequences.

38 (~~(3)~~) (4) The definitions in this subsection apply throughout
39 this chapter, unless the context clearly requires otherwise.

1 (a) "Agreement" means the streamlined sales and use tax
2 agreement.

3 (b) "Associate member" means a petitioning state that is found to
4 be in compliance with the agreement and changes to its laws, rules,
5 or other authorities necessary to bring it into compliance are not in
6 effect, but are scheduled to take effect on or before January 1,
7 2008. The petitioning states, by majority vote, may also grant
8 associate member status to a petitioning state that does not receive
9 an affirmative vote of three-fourths of the petitioning states upon a
10 finding that the state has achieved substantial compliance with the
11 terms of the agreement as a whole, but not necessarily each required
12 provision, measured qualitatively, and there is a reasonable
13 expectation that the state will achieve compliance by January 1,
14 2008.

15 (c) "Certified automated system" means software certified under
16 the agreement to calculate the tax imposed by each jurisdiction on a
17 transaction, determine the amount of tax to remit to the appropriate
18 state, and maintain a record of the transaction.

19 (d) "Certified service provider" means an agent certified under
20 the agreement to perform all of the seller's sales and use tax
21 functions, other than the seller's obligation to remit tax on its own
22 purchases.

23 (e)(i) "Member state" means a state that:

24 (A) Has petitioned for membership in the agreement and submitted
25 a certificate of compliance; and

26 (B) Before the effective date of the agreement, has been found to
27 be in compliance with the requirements of the agreement by an
28 affirmative vote of three-fourths of the other petitioning states; or

29 (C) After the effective date of the agreement, has been found to
30 be in compliance with the agreement by a three-fourths vote of the
31 entire governing board of the agreement.

32 (ii) Membership by reason of (e)(i)(A) and (B) of this subsection
33 is effective on the first day of a calendar quarter at least sixty
34 days after at least ten states comprising at least twenty percent of
35 the total population, as determined by the 2000 federal census, of
36 all states imposing a state sales tax have petitioned for membership
37 and have either been found in compliance with the agreement or have
38 been found to be an associate member under section 704 of the
39 agreement.

1 (iii) Membership by reason of (e)(i)(A) and (C) of this
2 subsection is effective on the state's proposed date of entry or the
3 first day of the calendar quarter after its petition is approved by
4 the governing board, whichever is later, and is at least sixty days
5 after its petition is approved.

6 (f) "Model 1 seller" means a seller that has selected a certified
7 service provider as its agent to perform all the seller's sales and
8 use tax functions, other than the seller's obligation to remit tax on
9 its own purchases.

10 (g) "Model 2 seller" means a seller that has selected a certified
11 automated system to perform part of its sales and use tax functions,
12 but retains responsibility for remitting the tax.

13 (h) "Model 3 seller" means a seller that has sales in at least
14 five member states, has total annual sales revenue of at least five
15 hundred million dollars, has a proprietary system that calculates the
16 amount of tax due each jurisdiction, and has entered into a
17 performance agreement with the member states that establishes a tax
18 performance standard for the seller. As used in this subsection
19 ~~((+3))~~ (4)(h), a seller includes an affiliated group of sellers
20 using the same proprietary system.

21 (i) "Source" means the location in which the sale or use of
22 tangible personal property, a digital good or digital code, an
23 extended warranty, or a digital automated service or other service,
24 subject to tax under chapter 82.08, 82.12, 82.14, or 82.14B RCW, is
25 deemed to occur.

26 **Sec. 310.** RCW 82.32.070 and 2013 c 23 s 322 are each amended to
27 read as follows:

28 (1) Every ~~((person liable for any fee or tax imposed by chapters~~
29 ~~82.04 through 82.27 RCW shall))~~ taxpayer liable for any tax collected
30 by the department must keep and preserve, for a period of five years,
31 suitable records as may be necessary to determine the amount of any
32 tax for which ~~((he or she))~~ the taxpayer may be liable~~((, which~~
33 ~~records shall))~~. Such records must include copies of all of the
34 taxpayer's federal income tax and state tax returns and reports
35 ~~((made by him or her. All his or her))~~. All of the taxpayer's books,
36 records, and invoices ~~((shall))~~ must be open for examination at any
37 time by the department of revenue. In the case of an out-of-state
38 ~~((person or concern which))~~ taxpayer that does not keep the necessary
39 books and records within this state, it ~~((shall be))~~ is sufficient if

1 ((it)) the taxpayer produces within the state such books and records
2 as ((shall be)) are required by the department of revenue, or permits
3 the examination by an agent authorized or designated by the
4 department of revenue at the place where such books and records are
5 kept. Any ((person)) taxpayer who fails to comply with the
6 requirements of this section ((shall be)) is forever barred from
7 questioning, in any court action or proceedings, the correctness of
8 any assessment of taxes made by the department of revenue based upon
9 any period for which such books, records, and invoices have not been
10 so kept and preserved.

11 (2) A person liable for any fee or tax imposed by chapters 82.04
12 through 82.27 RCW who contracts with another person or entity for
13 work subject to chapter 18.27 or 19.28 RCW ((shall)) must obtain and
14 preserve a record of the unified business identifier account number
15 for the person or entity performing the work. Failure to obtain or
16 maintain the record is subject to RCW 39.06.010 and to a penalty
17 determined by the director, but not to exceed two hundred fifty
18 dollars. The department ((shall)) must notify the taxpayer and
19 collect the penalty in the same manner as penalties under RCW
20 82.32.100.

21 **Sec. 311.** RCW 82.32.080 and 2012 c 39 s 2 are each amended to
22 read as follows:

23 (1) When authorized by the department, payment of the tax may be
24 made by uncertified check under such rules as the department
25 prescribes, but, if a check so received is not paid by the bank on
26 which it is drawn, the taxpayer, by whom such check is tendered, will
27 remain liable for payment of the tax and for all legal penalties and
28 interest, the same as if such check had not been tendered.

29 (2)(a) Except as otherwise provided in this subsection, payment
30 of the tax must be made by electronic funds transfer, as defined in
31 RCW 82.32.085. As an alternative to electronic funds transfer, the
32 department may authorize other forms of electronic payment, such as
33 payment by credit card. All taxes administered by this chapter are
34 subject to this requirement, except that the department may exclude
35 any taxes not reported on the combined excise tax return or any
36 successor return from the electronic payment requirement in this
37 subsection.

38 (b) The department may waive the electronic payment requirement
39 in this subsection for any taxpayer or class of taxpayers, for good

1 cause or for whom the department has assigned a reporting frequency
2 that is less than quarterly. In the discretion of the department, a
3 waiver under this subsection may be made temporary or permanent, and
4 may be made on the department's own motion.

5 (c) The department is authorized to accept payment of taxes by
6 electronic funds transfer or other acceptable forms of electronic
7 payment from taxpayers that are not subject to the mandatory
8 electronic payment requirements in this subsection.

9 (3)(a) Except as otherwise provided in this subsection, returns
10 must be filed electronically using the department's online tax filing
11 service or other method of electronic reporting as the department may
12 authorize.

13 (b) The department may waive the electronic filing requirement in
14 this subsection for any taxpayer or class of taxpayers, for good
15 cause or for whom the department has assigned a reporting frequency
16 that is less than quarterly. In the discretion of the department, a
17 waiver under this subsection may be made temporary or permanent, and
18 may be made on the department's own motion.

19 (c) The department is authorized to allow electronic filing of
20 returns from taxpayers that are not subject to the mandatory
21 electronic filing requirements in this subsection.

22 (4)(a)(i) The department, for good cause shown, may extend the
23 time for making and filing any return, and may grant such reasonable
24 additional time within which to make and file returns as it may deem
25 proper, but any permanent extension granting the taxpayer a reporting
26 date without penalty more than ten days beyond the due date, and any
27 extension in excess of thirty days must be conditional on deposit
28 with the department of an amount to be determined by the department
29 which is approximately equal to the estimated tax liability for the
30 reporting period or periods for which the extension is granted. In
31 the case of a permanent extension or a temporary extension of more
32 than thirty days the deposit must be deposited within the state
33 treasury with other tax funds and a credit recorded to the taxpayer's
34 account which may be applied to taxpayer's liability upon
35 cancellation of the permanent extension or upon reporting of the tax
36 liability where an extension of more than thirty days has been
37 granted.

38 (ii) The department must review the requirement for deposit at
39 least annually and may require a change in the amount of the deposit
40 required when it believes that such amount does not approximate the

1 tax liability for the reporting period or periods for which the
2 extension is granted.

3 (b) During a state of emergency declared under RCW 43.06.010(12),
4 the department, on its own motion or at the request of any taxpayer
5 affected by the emergency, may extend the time for making or filing
6 any return as the department deems proper. The department may not
7 require any deposit as a condition for granting an extension under
8 this subsection (4)(b).

9 (5)(a) The department must keep full and accurate records of all
10 funds received and disbursed by it. Subject to the provisions of RCW
11 82.32.105, 82.32.052, and 82.32.350, the department must apply the
12 payment of the taxpayer in the following order, without regard to any
13 direction of the taxpayer: (i) Interest; (ii) penalties; (iii) fees
14 that are not within the definition of tax in RCW 82.32.020; (iv)
15 other nontax amounts; (v) taxes, except spirits taxes; and (vi)
16 spirits taxes.

17 (b) For purposes of this subsection, "spirits taxes" has the same
18 meaning as in RCW 82.08.155.

19 (6) The department may refuse to accept any return that is not
20 accompanied by a remittance of the tax shown to be due thereon or
21 that is not filed electronically as required in this section. When
22 such return is not accepted, the taxpayer is deemed to have failed or
23 refused to file a return and is subject to the procedures provided in
24 RCW 82.32.100 and to the penalties provided in RCW 82.32.090. The
25 above authority to refuse to accept a return may not apply when a
26 return is timely filed electronically and a timely payment has been
27 made by electronic funds transfer or other form of electronic payment
28 as authorized by the department.

29 (7) Except for returns and remittances required to be transmitted
30 to the department electronically under this section and except as
31 otherwise provided in this chapter, a return or remittance that is
32 transmitted to the department by United States mail is deemed filed
33 or received on the date shown by the post office cancellation mark
34 stamped upon the envelope containing it. A return or remittance that
35 is transmitted to the department electronically is deemed filed or
36 received according to procedures set forth by the department.

37 (8)(a) For purposes of subsections (2) and (3) of this section,
38 "good cause" means the inability of a taxpayer to comply with the
39 requirements of subsection (2) or (3) of this section because:

1 (i) The taxpayer does not have the equipment or software
2 necessary to enable the taxpayer to comply with subsection (2) or (3)
3 of this section;

4 (ii) The equipment or software necessary to enable the taxpayer
5 to comply with subsection (2) or (3) of this section is not
6 functioning properly;

7 (iii) The taxpayer does not have access to the internet using the
8 taxpayer's own equipment;

9 (iv) The taxpayer does not have a bank account or a credit card;

10 (v) The taxpayer's bank is unable to send or receive electronic
11 funds transfer transactions; or

12 (vi) Some other circumstance or condition exists that, in the
13 department's judgment, prevents the taxpayer from complying with the
14 requirements of subsection (2) or (3) of this section.

15 (b) "Good cause" also includes any circumstance that, in the
16 department's judgment, supports the efficient or effective
17 administration of the tax laws of this state, including providing
18 relief from the requirements of subsection (2) or (3) of this section
19 to any taxpayer that is voluntarily collecting and remitting this
20 state's sales or use taxes on sales to Washington customers but has
21 no legal requirement to be registered with the department.

22 **Sec. 312.** RCW 84.36.041 and 2008 c 6 s 707 are each amended to
23 read as follows:

24 (1) All real and personal property used by a nonprofit home for
25 the aging that is reasonably necessary for the purposes of the home
26 is exempt from taxation if the benefit of the exemption inures to the
27 home and:

28 (a) At least fifty percent of the occupied dwelling units in the
29 home are occupied by eligible residents; or

30 (b) The home is subsidized under a federal department of housing
31 and urban development program. The department of revenue (~~shall~~)
32 must provide by rule a definition of homes eligible for exemption
33 under this subsection (1)(b), consistent with the purposes of this
34 section.

35 (2) All real and personal property used by a nonprofit home for
36 the aging that is reasonably necessary for the purposes of the home
37 is exempt from taxation if the benefit of the exemption inures to the
38 home and the construction, rehabilitation, acquisition, or
39 refinancing of the home is financed under a program using bonds

1 exempt from federal income tax if at least seventy-five percent of
2 the total amount financed uses the tax exempt bonds and the financing
3 program requires the home to reserve a percentage of all dwelling
4 units so financed for low-income residents. The initial term of the
5 exemption under this subsection (~~shall~~) must equal the term of the
6 tax exempt bond used in connection with the financing program, or the
7 term of the requirement to reserve dwelling units for low-income
8 residents, whichever is shorter. If the financing program involves
9 less than the entire home, only those dwelling units included in the
10 financing program are eligible for total exemption. The department of
11 revenue (~~shall~~) must provide by rule the requirements for
12 monitoring compliance with the provisions of this subsection and the
13 requirements for exemption including:

14 (a) The number or percentage of dwelling units required to be
15 occupied by low-income residents, and a definition of low income;

16 (b) The type and character of the dwelling units, whether
17 independent units or otherwise; and

18 (c) Any particular requirements for continuing care retirement
19 communities.

20 (3) A home for the aging is eligible for a partial exemption on
21 the real property and a total exemption for the home's personal
22 property if the home does not meet the requirements of subsection (1)
23 of this section because fewer than fifty percent of the occupied
24 dwelling units are occupied by eligible residents, as follows:

25 (a) A partial exemption (~~shall~~) must be allowed for each
26 dwelling unit in a home occupied by a resident requiring assistance
27 with activities of daily living.

28 (b) A partial exemption (~~shall~~) must be allowed for each
29 dwelling unit in a home occupied by an eligible resident.

30 (c) A partial exemption (~~shall~~) must be allowed for an area
31 jointly used by a home for the aging and by a nonprofit organization,
32 association, or corporation currently exempt from property taxation
33 under one of the other provisions of this chapter. The shared area
34 must be reasonably necessary for the purposes of the nonprofit
35 organization, association, or corporation exempt from property
36 taxation under one of the other provisions of this chapter, such as
37 kitchen, dining, and laundry areas.

38 (d) The amount of exemption (~~shall~~) must be calculated by
39 multiplying the assessed value of the property reasonably necessary
40 for the purposes of the home, less the assessed value of any area

1 exempt under (c) of this subsection, by a fraction. The numerator of
2 the fraction is the number of dwelling units occupied by eligible
3 residents and by residents requiring assistance with activities of
4 daily living. The denominator of the fraction is the total number of
5 occupied dwelling units as of December 31st of the first assessment
6 year the home becomes operational for which exemption is claimed and
7 January 1st of each subsequent assessment year for which exemption is
8 claimed.

9 (4) To be exempt under this section, the property must be used
10 exclusively for the purposes for which the exemption is granted,
11 except as provided in RCW 84.36.805.

12 (5) A home for the aging is exempt from taxation only if the
13 organization operating the home is exempt from income tax under
14 section 501(c) of the federal internal revenue code as existing on
15 January 1, 1989, or such subsequent date as the director may provide
16 by rule consistent with the purposes of this section.

17 (6) In order for the home to be eligible for exemption under
18 subsections (1)(a) and (3)(b) of this section, each eligible resident
19 of a home for the aging (~~shall~~) must submit an income verification
20 form to the county assessor by July 1st of the assessment year for
21 which exemption is claimed. However, during the first year a home
22 becomes operational, the county assessor (~~shall~~) must accept income
23 verification forms from eligible residents up to December 31st of the
24 assessment year. The income verification form (~~shall~~) must be
25 prescribed and furnished by the department of revenue. An eligible
26 resident who has filed a form for a previous year need not file a new
27 form until there is a change in status affecting the person's
28 eligibility.

29 (7) In determining the true and fair value of a home for the
30 aging for purposes of the partial exemption provided by subsection
31 (3) of this section, the assessor (~~shall~~) must apply the
32 computation method provided by RCW 84.34.060 and (~~shall~~) may
33 consider only the use to which such property is applied during the
34 years for which such partial exemptions are available and (~~shall~~)
35 may not consider potential uses of such property.

36 (8) As used in this section:

37 (a) "Eligible resident" means a person who:

38 (i) Occupied the dwelling unit as a principal place of residence
39 as of December 31st of the first assessment year the home becomes
40 operational. In each subsequent year, the eligible resident must

1 occupy the dwelling unit as a principal place of residence as of
2 January 1st of the assessment year for which the exemption is
3 claimed. Confinement of the person to a hospital or nursing home does
4 not disqualify the claim of exemption if the dwelling unit is
5 temporarily unoccupied or if the dwelling unit is occupied by a
6 spouse or a domestic partner, a person financially dependent on the
7 claimant for support, or both; and

8 (ii) Is sixty-one years of age or older on December 31st of the
9 year in which the exemption claim is filed, or is, at the time of
10 filing, retired from regular gainful employment by reason of
11 (~~physical~~) disability as defined in RCW 84.36.383. Any surviving
12 spouse or surviving domestic partner of a person who was receiving an
13 exemption at the time of the person's death (~~shall qualify~~)
14 qualifies if the surviving spouse or surviving domestic partner is
15 fifty-seven years of age or older and otherwise meets the
16 requirements of this subsection; and

17 (iii) Has a combined disposable income of no more than the
18 greater of twenty-two thousand dollars or eighty percent of the
19 median income adjusted for family size as most recently determined by
20 the federal department of housing and urban development for the
21 county in which the person resides. For the purposes of determining
22 eligibility under this section, a "cotentant" means a person who
23 resides with an eligible resident and who shares personal financial
24 resources with the eligible resident.

25 (b) "Combined disposable income" means the disposable income of
26 the person submitting the income verification form, plus the
27 disposable income of his or her spouse or domestic partner, and the
28 disposable income of each cotenant occupying the dwelling unit for
29 the preceding calendar year, less amounts paid by the person
30 submitting the income verification form or his or her spouse or
31 domestic partner or cotenant during the previous year for the
32 treatment or care of either person received in the dwelling unit or
33 in a nursing home. If the person submitting the income verification
34 form was retired for two months or more of the preceding year, the
35 combined disposable income of such person (~~shall~~) must be
36 calculated by multiplying the average monthly combined disposable
37 income of such person during the months such person was retired by
38 twelve. If the income of the person submitting the income
39 verification form is reduced for two or more months of the preceding
40 year by reason of the death of the person's spouse or domestic

1 partner, the combined disposable income of such person (~~shall~~) must
2 be calculated by multiplying the average monthly combined disposable
3 income of such person after the death of the spouse or domestic
4 partner by twelve.

5 (c) "Disposable income" means adjusted gross income as defined in
6 the federal internal revenue code, as amended prior to January 1,
7 1989, or such subsequent date as the director may provide by rule
8 consistent with the purpose of this section, plus all of the
9 following items to the extent they are not included in or have been
10 deducted from adjusted gross income:

11 (i) Capital gains, other than gain excluded from income under
12 section 121 of the federal internal revenue code to the extent it is
13 reinvested in a new principal residence;

14 (ii) Amounts deducted for loss;

15 (iii) Amounts deducted for depreciation;

16 (iv) Pension and annuity receipts;

17 (v) Military pay and benefits other than attendant-care and
18 medical-aid payments;

19 (vi) Veterans benefits other than attendant-care and medical-aid
20 payments;

21 (vii) Federal social security act and railroad retirement
22 benefits;

23 (viii) Dividend receipts; and

24 (ix) Interest received on state and municipal bonds.

25 (d) "Resident requiring assistance with activities of daily
26 living" means a person who requires significant assistance with the
27 activities of daily living and who would be at risk of nursing home
28 placement without this assistance.

29 (e) "Home for the aging" means a residential housing facility
30 that (i) provides a housing arrangement chosen voluntarily by the
31 resident, the resident's guardian or conservator, or another
32 responsible person; (ii) has only residents who are at least sixty-
33 one years of age or who have needs for care generally compatible with
34 persons who are at least sixty-one years of age; and (iii) provides
35 varying levels of care and supervision, as agreed to at the time of
36 admission or as determined necessary at subsequent times of
37 reappraisal.

38 (9) A for-profit home for the aging that converts to nonprofit
39 status after June 11, 1992, and would otherwise be eligible for tax
40 exemption under this section may not receive the tax exemption until

1 five years have elapsed since the conversion. The exemption (~~shall~~)
2 must then be ratably granted over the next five years.

3 **Sec. 313.** RCW 84.38.030 and 2008 c 6 s 702 are each amended to
4 read as follows:

5 A claimant may defer payment of special assessments and/or real
6 property taxes on up to eighty percent of the amount of the
7 claimant's equity value in the claimant's residence if the following
8 conditions are met:

9 (1) The claimant must meet all requirements for an exemption for
10 the residence under RCW 84.36.381, other than the age and income
11 limits under RCW 84.36.381.

12 (2) The claimant must be sixty years of age or older on December
13 31st of the year in which the deferral claim is filed, or must have
14 been, at the time of filing, retired from regular gainful employment
15 by reason of (~~physical~~) disability(~~(- PROVIDED, That)~~) as defined
16 in RCW 84.36.383. However, any surviving spouse or surviving domestic
17 partner of a person who was receiving a deferral at the time of the
18 person's death (~~shall-qualify~~) qualifies if the surviving spouse or
19 surviving domestic partner is fifty-seven years of age or older and
20 otherwise meets the requirements of this section.

21 (3) The claimant must have a combined disposable income, as
22 defined in RCW 84.36.383, of forty thousand dollars or less.

23 (4) The claimant must have owned, at the time of filing, the
24 residence on which the special assessment and/or real property taxes
25 have been imposed. For purposes of this subsection, a residence owned
26 by a marital community, owned by domestic partners, or owned by
27 cotenants (~~shall-be~~) is deemed to be owned by each spouse, each
28 domestic partner, or each cotenant. A claimant who has only a share
29 ownership in cooperative housing, a life estate, a lease for life, or
30 a revocable trust does not satisfy the ownership requirement.

31 (5) The claimant must have and keep in force fire and casualty
32 insurance in sufficient amount to protect the interest of the state
33 in the claimant's equity value(~~(- PROVIDED, That)~~). However, if the
34 claimant fails to keep fire and casualty insurance in force to the
35 extent of the state's interest in the claimant's equity value, the
36 amount deferred (~~shall~~) may not exceed one hundred percent of the
37 claimant's equity value in the land or lot only.

1 (6) In the case of special assessment deferral, the claimant must
2 have opted for payment of such special assessments on the installment
3 method if such method was available.

4 **Sec. 314.** RCW 84.39.010 and 2005 c 253 s 1 are each amended to
5 read as follows:

6 A person is entitled to a property tax exemption in the form of a
7 grant as provided in this chapter. The person is entitled to
8 assistance for the payment of all or a portion of the amount of
9 excess and regular real property taxes imposed on the person's
10 residence in the year in which a claim is filed in accordance with
11 the following:

12 (1) The claimant must meet all requirements for an exemption for
13 the residence under RCW 84.36.381, other than the income limits under
14 RCW 84.36.381.

15 (2)(a) The person making the claim must be:

16 (i) Sixty-two years of age or older on December 31st of the year
17 in which the claim is filed, or must have been, at the time of
18 filing, retired from regular gainful employment by reason of
19 ((physical)) disability; and

20 (ii) A widow or widower of a veteran who:

21 (A) Died as a result of a service-connected disability;

22 (B) Was rated as one hundred percent disabled by the United
23 States veterans' administration for the ten years prior to his or her
24 death;

25 (C) Was a former prisoner of war as substantiated by the United
26 States veterans' administration and was rated as one hundred percent
27 disabled by the United States veterans' administration for one or
28 more years prior to his or her death; or

29 (D) Died on active duty or in active training status as a member
30 of the United States uniformed services, reserves, or national guard;
31 and

32 (b) The person making the claim must not have remarried.

33 (3) The claimant must have a combined disposable income of forty
34 thousand dollars or less.

35 (4) The claimant must have owned, at the time of filing, the
36 residence on which the real property taxes have been imposed. For
37 purposes of this subsection, a residence owned by cotenants ((shall
38 be)) is deemed to be owned by each cotenant. A claimant who has only
39 a share ownership in cooperative housing, a life estate, a lease for

1 life, or a revocable trust does not satisfy the ownership
2 requirement.

3 (5) A person who otherwise qualifies under this section is
4 entitled to assistance in an amount equal to regular and excess
5 property taxes imposed on the difference between the value of the
6 residence eligible for exemption under RCW 84.36.381(5) and:

7 (a) The first one hundred thousand dollars of assessed value of
8 the residence for a person who has a combined disposable income of
9 thirty thousand dollars or less;

10 (b) The first seventy-five thousand dollars of assessed value of
11 the residence for a person who has a combined disposable income of
12 thirty-five thousand dollars or less but greater than thirty thousand
13 dollars; or

14 (c) The first fifty thousand dollars of assessed value of the
15 residence for a person who has a combined disposable income of forty
16 thousand dollars or less but greater than thirty-five thousand
17 dollars.

18 (6) As used in this section:

19 (a) "Veteran" has the same meaning as provided under RCW
20 41.04.005.

21 (b) The meanings attributed in RCW 84.36.383 to the terms
22 "residence," "combined disposable income," "disposable income," and
23 "disability" apply equally to this section.

24 **Sec. 315.** RCW 84.64.060 and 2003 c 23 s 4 are each amended to
25 read as follows:

26 (1) Any person owning a recorded interest in lands or lots upon
27 which judgment is prayed, as provided in this chapter, may in person
28 or by agent pay the taxes, interest and costs due thereon to the
29 county treasurer of the county in which the same are situated, at any
30 time before the day of the sale; and for the amount so paid he or she
31 (~~shall~~) will have a lien on the property liable for taxes,
32 interest, and costs for which judgment is prayed; and the person or
33 authority who (~~shall~~) collects or receives the same (~~shall~~) must
34 give a receipt for such payment, or issue to such person a
35 certificate showing such payment. If paying by agent, the agent
36 (~~shall~~) must provide notarized documentation of the agency
37 relationship.

38 (2) Notwithstanding anything to the contrary in this section, a
39 person need not pay the amount of any outstanding liens for amounts

1 deferred under chapter 84.37 or 84.38 RCW, if such amounts have not
2 become payable under RCW 84.37.080 or 84.38.130.

3 **Sec. 316.** RCW 84.64.070 and 2002 c 168 s 10 are each amended to
4 read as follows:

5 (1) Real property upon which certificates of delinquency have
6 been issued under the provisions of this chapter, may be redeemed at
7 any time before the close of business the day before the day of the
8 sale, by payment, as prescribed by the county treasurer, to the
9 county treasurer of the proper county, of the amount for which the
10 certificate of delinquency was issued, together with interest at the
11 statutory rate per annum charged on delinquent general real and
12 personal property taxes from date of issuance of the certificate of
13 delinquency until paid.

14 (2) The person redeeming such property (~~shall~~) must also pay
15 the amount of all taxes, interest and costs accruing after the
16 issuance of such certificate of delinquency, together with interest
17 at the statutory rate per annum charged on delinquent general real
18 and personal property taxes on such payment from the day the same was
19 made.

20 (3) No fee (~~shall~~) may be charged for any redemption.

21 (4) Tenants in common or joint tenants (~~shall~~) must be allowed
22 to redeem their individual interest in real property for which
23 certificates of delinquency have been issued under the provisions of
24 this chapter, in the manner and under the terms specified in RCW
25 84.64.060 for the redemption of real property other than that of
26 persons adjudicated to be legally incompetent or minors for purposes
27 of this section.

28 (5) If the real property of any minor, or any person adjudicated
29 to be legally incompetent, be sold for nonpayment of taxes, the same
30 may be redeemed at any time within three years after the date of sale
31 upon the terms specified in this section, on the payment of interest
32 at the statutory rate per annum charged on delinquent general real
33 and personal property taxes on the amount for which the same was
34 sold, from and after the date of sale, and in addition the
35 redemptioner (~~shall~~) must pay the reasonable value of all
36 improvements made in good faith on the property, less the value of
37 the use thereof, which redemption may be made by themselves or by any
38 person in their behalf.

1 (6) Notwithstanding anything to the contrary in this section, a
2 person may redeem real property under this section without the
3 payment of any outstanding liens for amounts deferred under chapter
4 84.37 or 84.38 RCW, if such amounts have not become payable under RCW
5 84.37.080 or 84.38.130.

6 **Part IV**
7 **Taxability matrix**

8 **Sec. 401.** RCW 82.32.740 and 2007 c 6 s 701 are each amended to
9 read as follows:

10 (1) The department (~~shall~~) must complete a taxability matrix
11 maintained by the member states of the agreement in downloadable
12 format. The matrix contains terms defined in the agreement and the
13 disclosure of the state's practices in the administration of sales
14 and use taxes as required under section 335 of the agreement. The
15 department (~~shall~~) must provide notice of changes in the taxability
16 of products or services listed in the matrix. The department must
17 also provide notice of changes in the state's treatment of practices
18 identified in the matrix.

19 (2)(a) Sellers and certified service providers are relieved from
20 liability to the state and to local jurisdictions for having charged
21 or collected the incorrect amount of sales or use tax if the error
22 resulted from reliance on erroneous information provided by the
23 department in the taxability matrix.

24 (b) Beginning July 1, 2015, if the taxability matrix is amended,
25 sellers and certified service providers are relieved from liability
26 to the state and to local jurisdictions to the extent that the seller
27 or certified service provider relied on the immediately preceding
28 version of the state's taxability matrix. Relief under this
29 subsection (2)(b) is available until the first day of the calendar
30 month that is at least thirty days after the department submits
31 notice of a change to the state's taxability matrix to the
32 streamlined sales tax governing board.

--- END ---