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**SENATE BILL 5275**

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**State of Washington**                      **64th Legislature**                      **2015 Regular Session**

**By** Senators Schoesler, Hargrove, Hill, Sheldon, and Hewitt

Read first time 01/16/15. Referred to Committee on Ways & Means.

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12 each repealed: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 ~~(b))~~) A person claiming an exemption under this section must keep  
2 records necessary for the department to verify eligibility under this  
3 section. (~~The exemption is available only when~~) Sellers may make  
4 tax exempt sales under this section only if the buyer provides the  
5 seller with an exemption certificate in a form and manner prescribed  
6 by the department. The seller must retain a copy of the certificate  
7 for the seller's files.

8 (3) The definitions in this subsection apply to this section and  
9 RCW 82.12.900 unless the context clearly requires otherwise:

10 (a) "Anaerobic digester" means a facility that processes manure  
11 from livestock into biogas and dried manure using microorganisms in a  
12 decomposition process within a closed, oxygen-free container.

13 (b) "Eligible person" means any person establishing or operating  
14 an anaerobic digester to treat primarily livestock manure.

15 (c) "Primarily" means more than fifty percent measured by volume  
16 or weight.

### 17 Part III

### 18 Providing greater clarity and consistency

19 **Sec. 301.** RCW 82.04.627 and 2008 c 81 s 15 are each amended to  
20 read as follows:

21 (1) Except as provided in subsection (2) of this section, for  
22 purposes of the taxes imposed under this chapter on the sale of parts  
23 to the manufacturer of a commercial airplane, the sale is deemed to  
24 take place at the site of the final testing or inspection (~~as~~  
25 ~~required by:~~

26 ~~(a) An approved production inspection system)) under federal~~  
27 ~~aviation regulation part 21, subpart F(~~;~~ or~~

28 ~~(b) A quality control system for which a production certificate~~  
29 ~~has been issued under federal aviation regulation part 21, subpart))~~  
30 ~~or G.~~

31 (2) This section does not apply to:

32 (a) Sales of (~~the types of parts listed in federal aviation~~  
33 ~~regulation part 21, section 303(b)(2) through (4) or parts for which~~  
34 ~~certification or approval under federal aviation regulation part 21~~  
35 ~~is not required; or~~

36 ~~(b) Sales of parts in respect to which final testing or~~  
37 ~~inspection as required by the approved production inspection system~~  
38 ~~or quality control system)) a standard part, such as a nut or bolt,~~

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 84.63.383. 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.

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