
HOUSE BILL 2001

State of Washington

65th Legislature

2017 Regular Session

By Representative Nealey

Read first time 02/07/17. Referred to Committee on Finance.

1 AN ACT Relating to taxes on in-state broadcasters; amending RCW
2 82.04.280 and 82.04.280; reenacting and amending RCW 82.32.790;
3 providing a contingent effective date; and providing a contingent
4 expiration date.

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

6 **Sec. 1.** RCW 82.04.280 and 2010 c 106 s 205 are each amended to
7 read as follows:

8 (1) Upon every person engaging within this state in the business
9 of: (a) Printing materials other than newspapers, and of publishing
10 periodicals or magazines; (b) building, repairing or improving any
11 street, place, road, highway, easement, right-of-way, mass public
12 transportation terminal or parking facility, bridge, tunnel, or
13 trestle which is owned by a municipal corporation or political
14 subdivision of the state or by the United States and which is used or
15 to be used, primarily for foot or vehicular traffic including mass
16 transportation vehicles of any kind and including any readjustment,
17 reconstruction or relocation of the facilities of any public, private
18 or cooperatively owned utility or railroad in the course of such
19 building, repairing or improving, the cost of which readjustment,
20 reconstruction, or relocation, is the responsibility of the public
21 authority whose street, place, road, highway, easement, right-of-way,

1 mass public transportation terminal or parking facility, bridge,
2 tunnel, or trestle is being built, repaired or improved; (c)
3 extracting for hire or processing for hire, except persons taxable as
4 extractors for hire or processors for hire under another section of
5 this chapter; (d) operating a cold storage warehouse or storage
6 warehouse, but not including the rental of cold storage lockers; (e)
7 representing and performing services for fire or casualty insurance
8 companies as an independent resident managing general agent licensed
9 under the provisions of chapter 48.17 RCW; (f) radio and television
10 broadcasting, (~~excluding network, national and regional advertising~~
11 ~~computed as a standard deduction based on the national average~~
12 ~~thereof as annually reported by the federal communications~~
13 ~~commission, or in lieu thereof by itemization by the individual~~
14 ~~broadcasting station, and excluding that portion of revenue~~
15 ~~represented by the out-of-state audience computed as a ratio to the~~
16 ~~station's total audience as measured by the 100 micro-volt signal~~
17 ~~strength and delivery by wire)) but excluding revenues from network,
18 national, and regional advertising computed either: (i) As a standard
19 deduction that the department must publish by rule by September 30,
20 2017, and by September 30th of every fifth year thereafter, based on
21 the national average thereof as reported by the United States census
22 bureau's economic census or other source of information; or (ii) in
23 lieu thereof by itemization by the individual broadcasting station,
24 and excluding that portion of revenue represented by the out-of-state
25 audience computed as a ratio to the broadcasting station's total
26 audience as measured by the .5 millivolt/meter signal strength
27 contour for AM radio, the one millivolt/meter or sixty dBu signal
28 strength contour for FM radio, the twenty-eight dBu signal strength
29 contour for television channels two through six, the thirty-six dBu
30 signal strength contour for television channels seven through
31 thirteen, and the forty-one dBu signal strength contour for
32 television channels fourteen through sixty-nine with delivery by
33 wire, satellite, or any other means, if any; (g) engaging in
34 activities which bring a person within the definition of consumer
35 contained in RCW 82.04.190(6); as to such persons, the amount of tax
36 on such business is equal to the gross income of the business
37 multiplied by the rate of 0.484 percent.~~

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

1 (a) "Cold storage warehouse" means a storage warehouse used to
2 store fresh and/or frozen perishable fruits or vegetables, meat,
3 seafood, dairy products, or fowl, or any combination thereof, at a
4 desired temperature to maintain the quality of the product for
5 orderly marketing.

6 (b) "Storage warehouse" means a building or structure, or any
7 part thereof, in which goods, wares, or merchandise are received for
8 storage for compensation, except field warehouses, fruit warehouses,
9 fruit packing plants, warehouses licensed under chapter 22.09 RCW,
10 public garages storing automobiles, railroad freight sheds, docks and
11 wharves, and "self-storage" or "mini storage" facilities whereby
12 customers have direct access to individual storage areas by separate
13 entrance. "Storage warehouse" does not include a building or
14 structure, or that part of such building or structure, in which an
15 activity taxable under RCW 82.04.272 is conducted.

16 (c) "Periodical or magazine" means a printed publication, other
17 than a newspaper, issued regularly at stated intervals at least once
18 every three months, including any supplement or special edition of
19 the publication.

20 **Sec. 2.** RCW 82.04.280 and 2010 c 106 s 206 are each amended to
21 read as follows:

22 (1) Upon every person engaging within this state in the business
23 of: (a) Printing materials other than newspapers, and of publishing
24 periodicals or magazines; (b) building, repairing or improving any
25 street, place, road, highway, easement, right-of-way, mass public
26 transportation terminal or parking facility, bridge, tunnel, or
27 trestle which is owned by a municipal corporation or political
28 subdivision of the state or by the United States and which is used or
29 to be used, primarily for foot or vehicular traffic including mass
30 transportation vehicles of any kind and including any readjustment,
31 reconstruction or relocation of the facilities of any public, private
32 or cooperatively owned utility or railroad in the course of such
33 building, repairing or improving, the cost of which readjustment,
34 reconstruction, or relocation, is the responsibility of the public
35 authority whose street, place, road, highway, easement, right-of-way,
36 mass public transportation terminal or parking facility, bridge,
37 tunnel, or trestle is being built, repaired or improved; (c)
38 extracting for hire or processing for hire, except persons taxable as
39 extractors for hire or processors for hire under another section of

1 this chapter; (d) operating a cold storage warehouse or storage
2 warehouse, but not including the rental of cold storage lockers; (e)
3 representing and performing services for fire or casualty insurance
4 companies as an independent resident managing general agent licensed
5 under the provisions of chapter 48.17 RCW; (f) radio and television
6 broadcasting, (~~excluding network, national and regional advertising~~
7 ~~computed as a standard deduction based on the national average~~
8 ~~thereof as annually reported by the federal communications~~
9 ~~commission, or in lieu thereof by itemization by the individual~~
10 ~~broadcasting station, and excluding that portion of revenue~~
11 ~~represented by the out-of-state audience computed as a ratio to the~~
12 ~~station's total audience as measured by the 100 micro-volt signal~~
13 ~~strength and delivery by wire)) but excluding revenues from network,
14 national, and regional advertising computed either: (i) As a standard
15 deduction that the department must publish by rule by September 30,
16 2017, and by September 30th of every fifth year thereafter, based on
17 the national average thereof as reported by the United States census
18 bureau's economic census or other source of information; or (ii) in
19 lieu thereof by itemization by the individual broadcasting station,
20 and excluding that portion of revenue represented by the out-of-state
21 audience computed as a ratio to the broadcasting station's total
22 audience as measured by the .5 millivolt/meter signal strength
23 contour for AM radio, the one millivolt/meter or sixty dBu signal
24 strength contour for FM radio, the twenty-eight dBu signal strength
25 contour for television channels two through six, the thirty-six dBu
26 signal strength contour for television channels seven through
27 thirteen, and the forty-one dBu signal strength contour for
28 television channels fourteen through sixty-nine with delivery by
29 wire, satellite, or any other means, if any; (g) engaging in
30 activities which bring a person within the definition of consumer
31 contained in RCW 82.04.190(6); as to such persons, the amount of tax
32 on such business is equal to the gross income of the business
33 multiplied by the rate of 0.484 percent.~~

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35 apply unless the context clearly requires otherwise.

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37 store fresh and/or frozen perishable fruits or vegetables, meat,
38 seafood, dairy products, or fowl, or any combination thereof, at a
39 desired temperature to maintain the quality of the product for
40 orderly marketing.

1 (b) "Storage warehouse" means a building or structure, or any
2 part thereof, in which goods, wares, or merchandise are received for
3 storage for compensation, except field warehouses, fruit warehouses,
4 fruit packing plants, warehouses licensed under chapter 22.09 RCW,
5 public garages storing automobiles, railroad freight sheds, docks and
6 wharves, and "self-storage" or "mini storage" facilities whereby
7 customers have direct access to individual storage areas by separate
8 entrance. "Storage warehouse" does not include a building or
9 structure, or that part of such building or structure, in which an
10 activity taxable under RCW 82.04.272 is conducted.

11 (c) "Periodical or magazine" means a printed publication, other
12 than a newspaper, issued regularly at stated intervals at least once
13 every three months, including any supplement or special edition of
14 the publication.

15 **Sec. 3.** RCW 82.32.790 and 2010 c 114 s 201 and 2010 c 106 s 401
16 are each reenacted and amended to read as follows:

17 (1)(a) Section 2, chapter . . ., Laws of 2017 (section 2 of this
18 act), section 206, chapter 106, Laws of 2010, sections 104, 110, 117,
19 123, 125, 129, 131, and 150, chapter 114, Laws of 2010, section 3,
20 chapter 461, Laws of 2009, section 7, chapter 300, Laws of 2006, and
21 section 4, chapter 149, Laws of 2003 are contingent upon the siting
22 and commercial operation of a significant semiconductor microchip
23 fabrication facility in the state of Washington.

24 (b) For the purposes of this section:

25 (i) "Commercial operation" means the same as "commencement of
26 commercial production" as used in RCW 82.08.965.

27 (ii) "Semiconductor microchip fabrication" means "manufacturing
28 semiconductor microchips" as defined in RCW 82.04.426.

29 (iii) "Significant" means the combined investment of new
30 buildings and new machinery and equipment in the buildings, at the
31 commencement of commercial production, will be at least one billion
32 dollars.

33 (2) Chapter 149, Laws of 2003 takes effect the first day of the
34 month in which a contract for the construction of a significant
35 semiconductor fabrication facility is signed, as determined by the
36 director of the department of revenue.

37 (3)(a) The department of revenue must provide notice of the
38 effective date of section 2, chapter . . ., Laws of 2017 (section 2
39 of this act), sections 104, 110, 117, 123, 125, 129, 131, and 150,

1 chapter 114, Laws of 2010(~~{,}~~), section 3, chapter 461, Laws of
2 2009, section 7, chapter 300, Laws of 2006, and section 4, chapter
3 149, Laws of 2003 to affected taxpayers, the legislature, and others
4 as deemed appropriate by the department.

5 (b) If, after making a determination that a contract has been
6 signed and chapter 149, Laws of 2003 is effective, the department
7 discovers that commencement of commercial production did not take
8 place within three years of the date the contract was signed, the
9 department must make a determination that chapter 149, Laws of 2003
10 is no longer effective, and all taxes that would have been otherwise
11 due are deemed deferred taxes and are immediately assessed and
12 payable from any person reporting tax under RCW 82.04.240(2) or
13 claiming an exemption or credit under section 2 or 5 through 10,
14 chapter 149, Laws of 2003. The department is not authorized to make a
15 second determination regarding the effective date of chapter 149,
16 Laws of 2003.

17 NEW SECTION. **Sec. 4.** If section 2 of this act takes effect,
18 section 1 of this act expires on the date section 2 of this act takes
19 effect.

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