
HOUSE BILL 2912

State of Washington 65th Legislature 2018 Regular Session

By Representatives Nealey, Hayes, and Johnson

Read first time 01/24/18. Referred to Committee on Appropriations.

1 AN ACT Relating to dedicating business and occupation tax revenue
2 generated by data processing and information services to the
3 Washington internet crimes against children account; reenacting and
4 amending RCW 82.04.065; and adding a new section to chapter 82.04
5 RCW.

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

7 **Sec. 1.** RCW 82.04.065 and 2009 c 535 s 413 are each reenacted
8 and amended to read as follows:

9 (1) "800 service" means a telecommunications service that allows
10 a caller to dial a toll-free number without incurring a charge for
11 the call. The service is typically marketed under the name "800,"
12 "855," "866," "877," and "888" toll-free calling, and any subsequent
13 numbers designated by the federal communications commission.

14 (2) "900 service" means an inbound toll "telecommunications
15 service" purchased by a subscriber that allows the subscriber's
16 customers to call in to the subscriber's prerecorded announcement or
17 live service. "900 service" does not include the charge for:
18 Collection services provided by the seller of the telecommunications
19 services to the subscriber, or services or products sold by the
20 subscriber to the subscriber's customer. The service is typically

1 marketed under the name "900" service, and any subsequent numbers
2 designated by the federal communications commission.

3 (3) "Ancillary services" means services that are associated with
4 or incidental to the provision of "telecommunications services,"
5 including but not limited to "detailed telecommunications billing,"
6 "directory assistance," "vertical service," and "voice mail
7 services."

8 (4) "Charges for mobile telecommunications services" means any
9 charge for, or associated with, the provision of commercial mobile
10 radio service, as defined in section 20.3, Title 47 C.F.R. as in
11 effect on June 1, 1999, or any charge for, or associated with, a
12 service provided as an adjunct to a commercial mobile radio service,
13 regardless of whether individual transmissions originate or terminate
14 within the licensed service area of the mobile telecommunications
15 service provider.

16 (5) "Competitive telephone service" means the providing by any
17 person of telecommunications equipment or apparatus, or service
18 related to that equipment or apparatus such as repair or maintenance
19 service, if the equipment or apparatus is of a type which can be
20 provided by persons that are not subject to regulation as telephone
21 companies under Title 80 RCW and for which a separate charge is made.

22 (6) "Conference-bridging service" means an ancillary service that
23 links two or more participants of an audio or videoconference call
24 and may include the provision of a telephone number. "Conference-
25 bridging service" does not include the telecommunications services
26 used to reach the conference bridge.

27 (7) "Customer" means: (a) The person or entity that contracts
28 with the home service provider for mobile telecommunications
29 services; or (b) the end user of the mobile telecommunications
30 service, if the end user of mobile telecommunications services is not
31 the contracting party, but this subsection (7)(b) applies only for
32 the purpose of determining the place of primary use. The term does
33 not include a reseller of mobile telecommunications service, or a
34 serving carrier under an arrangement to serve the customer outside
35 the home service provider's licensed service area.

36 (8) "Designated database provider" means a person representing
37 all the political subdivisions of the state that is:

38 (a) Responsible for providing an electronic database prescribed
39 in 4 U.S.C. Sec. 119(a) if the state has not provided an electronic
40 database; and

1 (b) Approved by municipal and county associations or leagues of
2 the state whose responsibility it would otherwise be to provide a
3 database prescribed by 4 U.S.C. Secs. 116 through 126.

4 (9) "Detailed telecommunications billing service" means an
5 ancillary service of separately stating information pertaining to
6 individual calls on a customer's billing statement.

7 (10) "Directory assistance" means an ancillary service of
8 providing telephone number information, and/or address information.

9 (11) "Enhanced zip code" means a United States postal zip code of
10 nine or more digits.

11 (12) "Fixed wireless service" means a telecommunications service
12 that provides radio communication between fixed points.

13 (13) "Home service provider" means the facilities-based carrier
14 or reseller with whom the customer contracts for the provision of
15 mobile telecommunications services.

16 (14) "Licensed service area" means the geographic area in which
17 the home service provider is authorized by law or contract to provide
18 commercial mobile radio service to the customer.

19 (15) "Mobile telecommunications service" means commercial mobile
20 radio service, as defined in section 20.3, Title 47 C.F.R. as in
21 effect on June 1, 1999.

22 (16) "Mobile telecommunications service provider" means a home
23 service provider or a serving carrier.

24 (17) "Mobile wireless service" means a telecommunications service
25 that is transmitted, conveyed, or routed regardless of the technology
26 used, whereby the origination and/or termination points of the
27 transmission, conveyance, or routing are not fixed, including, by way
28 of example only, telecommunications services that are provided by a
29 commercial mobile radio service provider.

30 (18) "Paging service" means a telecommunications service that
31 provides transmission of coded radio signals for the purpose of
32 activating specific pagers; these transmissions may include messages
33 and/or sounds.

34 (19) "Place of primary use" means the street address
35 representative of where the customer's use of the mobile
36 telecommunications service primarily occurs, which must be:

37 (a) The residential street address or the primary business street
38 address of the customer; and

39 (b) Within the licensed service area of the home service
40 provider.

1 (20) "Prepaid calling service" means the right to access
2 exclusively telecommunications services, which must be paid for in
3 advance and which enable the origination of calls using an access
4 number or authorization code, whether manually or electronically
5 dialed, and that is sold in predetermined units or dollars of which
6 the number declines with use in a known amount.

7 (21) "Prepaid telephone calling service" means the right to
8 purchase exclusively telecommunications services that must be paid
9 for in advance, that enables the origination of calls using an access
10 number, authorization code, or both, whether manually or
11 electronically dialed, if the remaining amount of units of service
12 that have been prepaid is known by the provider of the prepaid
13 service on a continuous basis.

14 (22) "Prepaid wireless calling service" means a
15 telecommunications service that provides the right to use mobile
16 wireless service as well as other nontelecommunications services
17 including the download of digital products delivered electronically,
18 content, and ancillary services, which must be paid for in advance
19 and that is sold in predetermined units or dollars of which the
20 number declines with use in a known amount.

21 (23) "Private communications service" means a telecommunications
22 service that entitles the customer to exclusive or priority use of a
23 communications channel or group of channels between or among
24 termination points, regardless of the manner in which the channel or
25 channels are connected, and includes switching capacity, extension
26 lines, stations, and any other associated services that are provided
27 in connection with the use of the channel or channels.

28 (24) "Reseller" means a provider who purchases telecommunications
29 services from another telecommunications service provider and then
30 resells, uses as a component part of, or integrates the purchased
31 services into a mobile telecommunications service. "Reseller" does
32 not include a serving carrier with whom a home service provider
33 arranges for the services to its customers outside the home service
34 provider's licensed service area.

35 (25) "Serving carrier" means a facilities-based carrier providing
36 mobile telecommunications service to a customer outside a home
37 service provider's or reseller's licensed service area.

38 (26) "Taxing jurisdiction" means any of the several states, the
39 District of Columbia, or any territory or possession of the United
40 States, any municipality, city, county, township, parish,

1 transportation district, or assessment jurisdiction, or other
2 political subdivision within the territorial limits of the United
3 States with the authority to impose a tax, charge, or fee.

4 (27) "Telecommunications service" means the electronic
5 transmission, conveyance, or routing of voice, data, audio, video, or
6 any other information or signals to a point, or between or among
7 points. "Telecommunications service" includes such transmission,
8 conveyance, or routing in which computer processing applications are
9 used to act on the form, code, or protocol of the content for
10 purposes of transmission, conveyance, or routing without regard to
11 whether such service is referred to as voice over internet protocol
12 services or is classified by the federal communications commission as
13 enhanced or value added. "Telecommunications service" does not
14 include:

15 ~~((a)) ((Data processing and information services that allow data to
16 be generated, acquired, stored, processed, or retrieved and delivered
17 by an electronic transmission to a purchaser where such purchaser's
18 primary purpose for the underlying transaction is the processed data
19 or information;~~

20 ~~((b))~~) Installation or maintenance of wiring or equipment on a
21 customer's premises;

22 ~~((c))~~) (b) Tangible personal property;

23 ~~((d))~~) (c) Advertising, including but not limited to directory
24 advertising;

25 ~~((e))~~) (d) Billing and collection services provided to third
26 parties;

27 ~~((f))~~) (e) Internet access service;

28 ~~((g))~~) (f) Radio and television audio and video programming
29 services, regardless of the medium, including the furnishing of
30 transmission, conveyance, and routing of such services by the
31 programming service provider. Radio and television audio and video
32 programming services include but are not limited to cable service as
33 defined in 47 U.S.C. Sec. 522(6) and audio and video programming
34 services delivered by commercial mobile radio service providers, as
35 defined in section 20.3, Title 47 C.F.R.;

36 ~~((h))~~) (g) Ancillary services;

37 ~~((i))~~) (h) Digital products delivered electronically, including
38 but not limited to music, video, reading materials, or ring tones; or

39 ~~((j))~~) (i) Software delivered electronically.

1 (28) "Value-added nonvoice data service" means a service that
2 otherwise meets the definition of telecommunications services in
3 which computer processing applications are used to act on the form,
4 content, code, or protocol of the information or data primarily for a
5 purpose other than transmission, conveyance, or routing.

6 (29) "Vertical service" means an ancillary service that is
7 offered in connection with one or more telecommunications services,
8 that offers advanced calling features that allow customers to
9 identify callers and to manage multiple calls and call connections,
10 including conference-bridging services.

11 (30) "Voice mail service" means an ancillary service that enables
12 the customer to store, send, or receive recorded messages. "Voice
13 mail service" does not include any vertical services that the
14 customer may be required to have in order to use the voice mail
15 service.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04
17 RCW to read as follows:

18 (1) All moneys received as a result of the imposition of the tax
19 authorized under this chapter on business activities attributable to
20 data processing and information services must be deposited in the
21 Washington internet crimes against children account.

22 (2) "Data processing and information services" means data
23 processing and information services that allow data to be generated,
24 acquired, stored, processed, or retrieved and delivered by an
25 electronic transmission to a purchaser where such purchaser's primary
26 purpose for the underlying transaction is the processed data or
27 information.

28 (3) By December 15th of each year, the department must estimate
29 the tax revenues for the next fiscal year resulting from the business
30 activities described in subsection (1) of this section and estimate
31 the tax revenues expected for the remainder of the fiscal year.

32 (4)(a) By April 15th of each fiscal year, the department must
33 estimate the tax revenue received to date for the business activity
34 described in subsection (1) of this section and estimate the tax
35 revenues expected for the remainder of the fiscal year.

36 (b) By April 30th of each fiscal year, the department must notify
37 the state treasurer of the estimates in (a) of this subsection (4).

--- END ---