

ESSB 5997 - H AMD 920

By Representative Vick

NOT ADOPTED 04/27/2019

1 On page 6, after line 16, insert the following:

2 "NEW SECTION. **Sec. 102.** A new section is added to chapter 82.08
3 RCW to read as follows:

4 (1) The border community mitigation account is created in the
5 state treasury.

6 (2) Expenditures from the account may be used only for the
7 support of border communities impacted by the imposition of the
8 remittance program created in RCW 82.08.0273.

9 (a) Transfers pursuant to section 103 of this act must be used
10 for grants to border community local taxing districts.

11 (b) Other moneys deposited into the account may be used for
12 border community retail business compliance grants.

13 NEW SECTION. **Sec. 103.** A new section is added to chapter 82.08
14 RCW to read as follows:

15 (1) In order to mitigate the local sales tax revenue net losses
16 as the result of the remittance program created in RCW 82.08.0273,
17 the state treasurer must transfer, on January 1, 2020, and each
18 January 1st thereafter, into the border county mitigation account
19 from the general fund, the sum required to mitigate actual net losses
20 as determined under this section.

21 (2) Beginning January 1, 2020, and continuing until the
22 department determines annual losses have ceased, the department must
23 determine the amount of local sales tax net loss each border
24 community local taxing district experiences as a result of the change
25 of the nonresident sales tax exemption into a remittance program each
26 calendar quarter. The department must determine losses by analyzing
27 and comparing data from tax return information and tax collections
28 for each border community local taxing district before and after July
29 1, 2019. Beginning June 30, 2020, distributions must be made
30 quarterly from the border community mitigation account by the state
31 treasurer, as determined by the department, to each border community
32 local taxing district receiving a grant in an amount representing its

1 net losses for the previous calendar quarter. Distributions must be
2 made on the last working day of the quarter.

3 (3) Beginning January 1, 2020, applications may be made quarterly
4 to the border community mitigation account by border community taxing
5 districts and border community businesses.

6 (a) A border community local taxing district may apply for a
7 grant in an amount up to their net sales tax loss for the previous
8 quarter as the result of the nonresident sales tax exemption
9 remittance program. Applications must be submitted in the time and
10 manner established by the department.

11 (b) The border community retail business compliance grant program
12 is established and must be administered by the department.

13 (i) A border community retail business may apply for compliance
14 cost reimbursement that results from the change of the nonresident
15 sales tax exemption to a remittance. This includes costs associated
16 with providing necessary documentation for a nonresident remittance
17 application, remittance application assistance, and educational
18 materials.

19 (ii) The department must develop criteria and application
20 requirements for the border community retail business compliance
21 grant program.

22 (4) The definitions in this subsection apply throughout this
23 section unless the context clearly requires otherwise.

24 (a) "Border community local taxing district" means a local taxing
25 district located in a county that shares a border with a state that
26 does not impose a state retail sales and use tax.

27 (b) "Border community retail business" means a retail business
28 open to the general public and located in a county that shares a
29 border with a state that does not impose a state sales tax.

30 NEW SECTION. **Sec. 104.** The sum of one million dollars, or as
31 much thereof as may be necessary, is appropriated for the fiscal
32 biennium ending June 30, 2021, from the general fund to the border
33 community mitigation account created in section 102 of this act for
34 the purposes of funding border community compliance grants."

35 Correct the title.

EFFECT: Creates a border community mitigation account and grant
program to assist border community local taxing districts and retail
businesses impacted by the change to the nonresident tax exemption.

Appropriates one million dollars for the 2019-2021 biennium for the border community retail business compliance grant program.

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