
ENGROSSED SUBSTITUTE SENATE BILL 5228

State of Washington

66th Legislature

2019 Regular Session

By Senate Local Government (originally sponsored by Senators Takko and Saldaña)

READ FIRST TIME 02/01/19.

1 AN ACT Relating to the authorization to impose special excise
2 taxes on the sale of lodging in counties with a population of less
3 than four hundred thousand; amending RCW 67.28.181 and 82.14.410; and
4 providing an effective date.

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

6 **Sec. 1.** RCW 67.28.181 and 2015 3rd sp.s. c 24 s 703 are each
7 amended to read as follows:

8 (1) The legislative body of any municipality may impose an excise
9 tax on the sale of or charge made for the furnishing of lodging that
10 is subject to tax under chapter 82.08 RCW. The rate of tax (~~shall~~)
11 may not exceed the lesser of two percent or a rate that, when
12 combined with all other taxes imposed upon sales of lodging within
13 the municipality under this chapter and chapters 36.100, 67.40,
14 82.08, and 82.14 RCW, equals twelve percent. A tax under this chapter
15 shall not be imposed in increments smaller than tenths of a percent.

16 (2) Notwithstanding subsection (1) of this section:

17 (a) If a municipality was authorized to impose taxes under this
18 chapter or RCW 67.40.100 or both with a total rate exceeding four
19 percent before July 27, 1997, such total authorization shall continue
20 through January 31, 1999, and thereafter the municipality may impose

1 a tax under this section at a rate not exceeding the rate actually
2 imposed by the municipality on January 31, 1999.

3 (b) Except as otherwise provided in this subsection (2)(b), if a
4 city or town, other than a municipality imposing a tax under (a) of
5 this subsection, is located in a county that imposed taxes under this
6 chapter with a total rate of four percent or more on January 1, 1997,
7 the city or town may not impose a tax under this section. Beginning
8 July 1, 2020, this subsection (2)(b) does not apply to any city or
9 town located in a county with a population of less than four hundred
10 thousand.

11 (c) If a city has a population of four hundred thousand or more
12 and is located in a county with a population of one million or more,
13 the rate of tax imposed under this chapter by the city shall not
14 exceed the lesser of four percent or a rate that, when combined with
15 all other taxes imposed upon sales of lodging in the municipality
16 under this chapter and chapters 36.100, 67.40, 82.08, and 82.14 RCW,
17 equals fifteen and two-tenths percent.

18 (d) If a municipality was authorized to impose taxes under this
19 chapter or RCW 67.40.100, or both, at a rate equal to six percent
20 before January 1, 1998, the municipality may impose a tax under this
21 section at a rate not exceeding the rate actually imposed by the
22 municipality on January 1, 1998.

23 (3) Any county ordinance or resolution adopted under this section
24 shall contain a provision allowing a credit against the county tax
25 for the full amount of any city or town tax imposed under this
26 section upon the same taxable event.

27 (4) In determining the effective combined rate of tax for
28 purposes of the limit in subsections (1) and (2)(c) of this section,
29 the tax rate under RCW 82.14.530 is not included.

30 **Sec. 2.** RCW 82.14.410 and 2015 3rd sp.s. c 24 s 704 are each
31 amended to read as follows:

32 (1) A local sales and use tax change adopted after December 1,
33 2000, must provide an exemption for those sales of lodging for which,
34 but for the exemption, the total sales tax rate imposed on sales of
35 lodging would exceed the greater of:

36 (a) Twelve percent; or

37 (b) The total sales tax rate that would have applied to the sale
38 of lodging if the sale were made on December 1, 2000.

39 (2) For the purposes of this section:

1 (a) "Local sales and use tax change" is defined as provided in
2 RCW 82.14.055.

3 (b) "Sale of lodging" means the sale of or charge made for the
4 furnishing of lodging and all other services by a hotel, rooming
5 house, tourist court, motel, trailer camp, and the granting of any
6 similar license to use real property.

7 (c) "Total sales tax rate" means the combined rates of all state
8 and local taxes imposed under this chapter and chapters 36.100,
9 67.28, 67.40, and 82.08 RCW, and any other tax authorized after March
10 29, 2001, if the tax is in the nature of a sales tax collected from
11 the buyer, but excluding taxes imposed under RCW 81.104.170 before
12 December 1, 2000, and taxes imposed under RCW 82.14.530 and
13 67.28.181(2)(b).

14 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2020.

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