
SENATE BILL 5997

State of Washington

66th Legislature

2019 Regular Session

By Senators Rolfes and Hunt

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1 AN ACT Relating to eliminating or narrowing certain tax
2 preferences to increase state revenue for essential public services;
3 amending RCW 82.08.0273 and 82.04.260; prescribing penalties;
4 providing an effective date; and declaring an emergency.

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

6 **PART I**
7 **Narrowing the Nonresident Sales and Use Tax Exemption**

8 **Sec. 101.** RCW 82.08.0273 and 2014 c 140 s 17 are each amended to
9 read as follows:

10 (1) ~~((The tax levied by RCW 82.08.020 does not apply to))~~ Subject
11 to the conditions and limitations in this section, an exemption from
12 the tax levied by RCW 82.08.020 in the form of a remittance from the
13 department is provided for sales to nonresidents of this state of
14 tangible personal property, digital goods, and digital codes ~~((~~
15 ~~when))~~. The exemption only applies if:

- 16 (a) The property is for use outside this state;
17 (b) The purchaser is a bona fide resident of a province or
18 territory of Canada or a state, territory, or possession of the
19 United States, other than the state of Washington; and

1 (i) Such state, possession, territory, or province does not
2 impose, or have imposed on its behalf, a generally applicable retail
3 sales tax, use tax, value added tax, gross receipts tax on retailing
4 activities, or similar generally applicable tax, of three percent or
5 more; or

6 (ii) If imposing a tax described in (b)(i) of this subsection,
7 provides an exemption for sales to Washington residents by reason of
8 their residence; and

9 (c) The purchaser agrees, when requested, to grant the department
10 of revenue access to such records and other forms of verification at
11 ~~((his or her))~~ the purchaser's place of residence to assure that such
12 purchases are not first used substantially in the state of
13 Washington.

14 (2) Notwithstanding anything to the contrary in this chapter, if
15 parts or other tangible personal property are installed by the seller
16 during the course of repairing, cleaning, altering, or improving
17 motor vehicles, trailers, or campers and the seller makes a separate
18 charge for the tangible personal property, the tax levied by RCW
19 82.08.020 does not apply to the separately stated charge to a
20 nonresident purchaser for the tangible personal property but only if
21 the seller certifies in writing to the purchaser that the separately
22 stated charge does not exceed either the seller's current publicly
23 stated retail price for the tangible personal property or, if no
24 publicly stated retail price is available, the seller's cost for the
25 tangible personal property. However, the exemption provided by this
26 section does not apply if tangible personal property is installed by
27 the seller during the course of repairing, cleaning, altering, or
28 improving motor vehicles, trailers, or campers and the seller makes a
29 single nonitemized charge for providing the tangible personal
30 property and service. All of the ~~((requirements))~~ provisions in
31 subsections (1) and (3) through ~~((+6))~~ (7) of this section apply to
32 this subsection.

33 (3)(a) Any person claiming exemption from retail sales tax under
34 the provisions of this section must ~~((display proof of his or her~~
35 ~~current nonresident status as provided in this section))~~ pay the
36 state and local sales tax to the seller at the time of purchase and
37 then request a remittance from the department in accordance with this
38 subsection and subsection (4) of this section. A request for
39 remittance must include proof of the person's status as a nonresident
40 at the time of the purchase for which a remittance is requested. The

1 request for a remittance must also include any additional information
2 and documentation as required by the department, which may include a
3 description of the item purchased for which a remittance is
4 requested, the sales price of the item, the amount of sales tax paid
5 on the item, the date of the purchase, the name of the seller and the
6 physical address where the sale took place, and copies of sales
7 receipts showing the qualified purchases.

8 (b) Acceptable proof of a nonresident person's status includes
9 one piece of identification such as a valid driver's license from the
10 jurisdiction in which the out-of-state residency is claimed or a
11 valid identification card which has a photograph of the holder and is
12 issued by the out-of-state jurisdiction. Identification under this
13 subsection (3) (b) must show the holder's residential address and have
14 as one of its legal purposes the establishment of residency in that
15 out-of-state jurisdiction.

16 ~~((c) In lieu of furnishing proof of a person's nonresident~~
17 ~~status under (b) of this subsection (3), a person claiming exemption~~
18 ~~from retail sales tax under the provisions of this section may~~
19 ~~provide the seller with an exemption certificate in compliance with~~
20 ~~subsection (4) (b) of this section.))~~

21 (4) (a) ~~((Nothing in this section requires the vendor to make tax~~
22 ~~exempt retail sales to nonresidents. A vendor may choose to make~~
23 ~~sales to nonresidents, collect the sales tax, and remit the amount of~~
24 ~~sales tax collected to the state as otherwise provided by law. If the~~
25 ~~vendor chooses to make a sale to a nonresident without collecting the~~
26 ~~sales tax, the vendor must examine the purchaser's proof of~~
27 ~~nonresidence, determine whether the proof is acceptable under~~
28 ~~subsection (3) (b) of this section, and maintain records for each~~
29 ~~nontaxable sale which must show the type of proof accepted, including~~
30 ~~any identification numbers where appropriate, and the expiration~~
31 ~~date, if any.~~

32 ~~(b) In lieu of using the method provided in (a) of this~~
33 ~~subsection to document an exempt sale to a nonresident, a seller may~~
34 ~~accept from the purchaser a properly completed uniform exemption~~
35 ~~certificate approved by the streamlined sales and use tax agreement~~
36 ~~governing board or any other exemption certificate as may be~~
37 ~~authorized by the department and properly completed by the purchaser.~~
38 ~~A nonresident purchaser who uses an exemption certificate authorized~~
39 ~~in this subsection (4) (b) must include the purchaser's driver's~~

1 ~~license number or other state-issued identification number and the~~
2 ~~state of issuance.~~

3 ~~(c) In lieu of using the methods provided in (a) and (b) of this~~
4 ~~subsection to document an exempt sale to a nonresident, a seller may~~
5 ~~capture the relevant data elements as allowed under the streamlined~~
6 ~~sales and use tax agreement.~~

7 ~~(5) (a) Any person making fraudulent statements, which includes~~
8 ~~the offer of fraudulent identification or fraudulently procured~~
9 ~~identification to a vendor, in order to purchase goods without paying~~
10 ~~retail sales tax is guilty of perjury under chapter 9A.72 RCW.~~

11 ~~(b) Any person making tax exempt purchases under this section by~~
12 ~~displaying proof of identification not his or her own, or counterfeit~~
13 ~~identification, with intent to violate the provisions of this~~
14 ~~section, is guilty of a misdemeanor and, in addition, is liable for~~
15 ~~the tax and subject to a penalty equal to the greater of one hundred~~
16 ~~dollars or the tax due on such purchases.~~

17 ~~(6) (a) Any vendor who makes sales without collecting the tax and~~
18 ~~who fails to maintain records of sales to nonresidents as provided in~~
19 ~~this section is personally liable for the amount of tax due.~~

20 ~~(b) Any vendor who makes sales without collecting the retail~~
21 ~~sales tax under this section and who has actual knowledge that the~~
22 ~~purchaser's proof of identification establishing out-of-state~~
23 ~~residency is fraudulent is guilty of a misdemeanor and, in addition,~~
24 ~~is liable for the tax and subject to a penalty equal to the greater~~
25 ~~of one thousand dollars or the tax due on such sales. In addition,~~
26 ~~both the purchaser and the vendor are liable for any penalties and~~
27 ~~interest assessable under chapter 82.32 RCW.~~

28 ~~(7)) (i) Beginning January 1, 2020, through December 31, 2020, a~~
29 ~~person may request a remittance from the department for state sales~~
30 ~~taxes paid by the person on qualified retail purchases made in~~
31 ~~Washington between July 1, 2019, and December 31, 2019.~~

32 ~~(ii) Beginning January 1, 2021, a person may request a remittance~~
33 ~~from the department during any calendar year for state sales taxes~~
34 ~~paid by the person on qualified retail purchases made in Washington~~
35 ~~during the immediately preceding calendar year only. No application~~
36 ~~may be made with respect to purchases made before the immediately~~
37 ~~preceding calendar year.~~

38 ~~(b) The remittance request, including proof of nonresident status~~
39 ~~and any other documentation and information required by the~~
40 ~~department, must be provided in a form and manner as prescribed by~~

1 the department. Only one remittance request may be made by a person
2 per calendar year.

3 (c) The total amount of a remittance request must be at least
4 twenty-five dollars. The department must deny any request for a
5 remittance that is less than twenty-five dollars.

6 (d) The department will examine the applicant's proof of
7 nonresident status and any other documentation and information as
8 required in the application to determine whether the applicant is
9 entitled to a remittance under this section.

10 (5)(a) Any person making fraudulent statements to the department,
11 which includes the offer of fraudulent or fraudulently procured
12 identification or fraudulent sales receipts, in order to receive a
13 remittance of retail sales tax is guilty of perjury under chapter
14 9A.72 RCW and is ineligible to receive any further remittances from
15 the department under this section.

16 (b) Any person obtaining a remittance of retail sales tax from
17 the department by providing proof of identification or sales receipts
18 not the person's own, or counterfeit identification or sales receipts
19 is (i) liable for repayment of the remittance, including interest as
20 provided in chapter 82.32 RCW from the date the remittance was
21 transmitted to the person until repaid in full, (ii) liable for a
22 civil penalty equal to the greater of one hundred dollars or the
23 amount of the remittance obtained in violation of this subsection
24 (5)(b), and (iii) ineligible to receive any further remittances from
25 the department under this section.

26 (c) Any person assisting another person in obtaining a remittance
27 of retail sales tax in violation of (b) of this subsection is jointly
28 and severally liable for amounts due under (b) of this subsection and
29 is also ineligible to receive any further remittances from the
30 department under this section.

31 (6) A person who receives a refund of sales tax from the seller
32 for any reason with respect to a purchase made in this state is not
33 entitled to a remittance for the tax paid on the purchase. A person
34 who receives both a remittance under this section and a refund of
35 sales tax from the seller with respect to the same purchase must
36 immediately repay the remittance to the department. Interest as
37 provided in chapter 82.32 RCW applies to amounts due under this
38 section from the date that the department made the remittance until
39 the amount due under this subsection is paid to the department. A
40 person who receives a remittance with respect to a purchase for which

1 the person had, at the time the person submitted the application for
2 a remittance, already received a refund of sales tax from the seller
3 is also liable for a civil penalty equal to the greater of one
4 hundred dollars or the amount of the remittance obtained in violation
5 of this subsection and is ineligible to receive any further
6 remittances from the department under this section.

7 (7) The exemption provided by this section is only for the state
8 portion of the sales tax. For purposes of this section, the state
9 portion of the sales tax is not reduced by any local sales tax that
10 is deducted or credited against the state sales tax as provided by
11 law.

12 (8) The exemption in this section does not apply to sales of
13 marijuana, useable marijuana, or marijuana-infused products.

14 PART II

15 **Eliminating the Preferential Business and Occupation Tax Rate for** 16 **Travel Agents and Tour Operators**

17 **Sec. 201.** RCW 82.04.260 and 2018 c 164 s 3 are each amended to
18 read as follows:

19 (1) Upon every person engaging within this state in the business
20 of manufacturing:

21 (a) Wheat into flour, barley into pearl barley, soybeans into
22 soybean oil, canola into canola oil, canola meal, or canola by-
23 products, or sunflower seeds into sunflower oil; as to such persons
24 the amount of tax with respect to such business is equal to the value
25 of the flour, pearl barley, oil, canola meal, or canola by-product
26 manufactured, multiplied by the rate of 0.138 percent;

27 (b) Beginning July 1, 2025, seafood products that remain in a
28 raw, raw frozen, or raw salted state at the completion of the
29 manufacturing by that person; or selling manufactured seafood
30 products that remain in a raw, raw frozen, or raw salted state at the
31 completion of the manufacturing, to purchasers who transport in the
32 ordinary course of business the goods out of this state; as to such
33 persons the amount of tax with respect to such business is equal to
34 the value of the products manufactured or the gross proceeds derived
35 from such sales, multiplied by the rate of 0.138 percent. Sellers
36 must keep and preserve records for the period required by RCW
37 82.32.070 establishing that the goods were transported by the
38 purchaser in the ordinary course of business out of this state;

1 (c)(i) Except as provided otherwise in (c)(iii) of this
2 subsection, from July 1, 2025, until January 1, 2036, dairy products;
3 or selling dairy products that the person has manufactured to
4 purchasers who either transport in the ordinary course of business
5 the goods out of state or purchasers who use such dairy products as
6 an ingredient or component in the manufacturing of a dairy product;
7 as to such persons the tax imposed is equal to the value of the
8 products manufactured or the gross proceeds derived from such sales
9 multiplied by the rate of 0.138 percent. Sellers must keep and
10 preserve records for the period required by RCW 82.32.070
11 establishing that the goods were transported by the purchaser in the
12 ordinary course of business out of this state or sold to a
13 manufacturer for use as an ingredient or component in the
14 manufacturing of a dairy product.

15 (ii) For the purposes of this subsection (1)(c), "dairy products"
16 means:

17 (A) Products, not including any marijuana-infused product, that
18 as of September 20, 2001, are identified in 21 C.F.R., chapter 1,
19 parts 131, 133, and 135, including by-products from the manufacturing
20 of the dairy products, such as whey and casein; and

21 (B) Products comprised of not less than seventy percent dairy
22 products that qualify under (c)(ii)(A) of this subsection, measured
23 by weight or volume.

24 (iii) The preferential tax rate provided to taxpayers under this
25 subsection (1)(c) does not apply to sales of dairy products on or
26 after July 1, 2023, where a dairy product is used by the purchaser as
27 an ingredient or component in the manufacturing in Washington of a
28 dairy product;

29 (d)(i) Beginning July 1, 2025, fruits or vegetables by canning,
30 preserving, freezing, processing, or dehydrating fresh fruits or
31 vegetables, or selling at wholesale fruits or vegetables manufactured
32 by the seller by canning, preserving, freezing, processing, or
33 dehydrating fresh fruits or vegetables and sold to purchasers who
34 transport in the ordinary course of business the goods out of this
35 state; as to such persons the amount of tax with respect to such
36 business is equal to the value of the products manufactured or the
37 gross proceeds derived from such sales multiplied by the rate of
38 0.138 percent. Sellers must keep and preserve records for the period
39 required by RCW 82.32.070 establishing that the goods were

1 transported by the purchaser in the ordinary course of business out
2 of this state.

3 (ii) For purposes of this subsection (1)(d), "fruits" and
4 "vegetables" do not include marijuana, useable marijuana, or
5 marijuana-infused products; and

6 (e) Wood biomass fuel; as to such persons the amount of tax with
7 respect to the business is equal to the value of wood biomass fuel
8 manufactured, multiplied by the rate of 0.138 percent. For the
9 purposes of this section, "wood biomass fuel" means a liquid or
10 gaseous fuel that is produced from lignocellulosic feedstocks,
11 including wood, forest, ~~((+or+))~~ or field residue~~((+))~~ and dedicated
12 energy crops, and that does not include wood treated with chemical
13 preservations such as creosote, pentachlorophenol, or copper-chrome-
14 arsenic.

15 (2) Upon every person engaging within this state in the business
16 of splitting or processing dried peas; as to such persons the amount
17 of tax with respect to such business is equal to the value of the
18 peas split or processed, multiplied by the rate of 0.138 percent.

19 (3) Upon every nonprofit corporation and nonprofit association
20 engaging within this state in research and development, as to such
21 corporations and associations, the amount of tax with respect to such
22 activities is equal to the gross income derived from such activities
23 multiplied by the rate of 0.484 percent.

24 (4) Upon every person engaging within this state in the business
25 of slaughtering, breaking and/or processing perishable meat products
26 and/or selling the same at wholesale only and not at retail; as to
27 such persons the tax imposed is equal to the gross proceeds derived
28 from such sales multiplied by the rate of 0.138 percent.

29 ~~((Upon every person engaging within this state in the
30 business of acting as a travel agent or tour operator; as to such
31 persons the amount of the tax with respect to such activities is
32 equal to the gross income derived from such activities multiplied by
33 the rate of 0.275 percent.~~

34 ~~(+))~~ Upon every person engaging within this state in business as
35 an international steamship agent, international customs house broker,
36 international freight forwarder, vessel and/or cargo charter broker
37 in foreign commerce, and/or international air cargo agent; as to such
38 persons the amount of the tax with respect to only international
39 activities is equal to the gross income derived from such activities
40 multiplied by the rate of 0.275 percent.

1 (~~(7)~~) (6) Upon every person engaging within this state in the
2 business of stevedoring and associated activities pertinent to the
3 movement of goods and commodities in waterborne interstate or foreign
4 commerce; as to such persons the amount of tax with respect to such
5 business is equal to the gross proceeds derived from such activities
6 multiplied by the rate of 0.275 percent. Persons subject to taxation
7 under this subsection are exempt from payment of taxes imposed by
8 chapter 82.16 RCW for that portion of their business subject to
9 taxation under this subsection. Stevedoring and associated activities
10 pertinent to the conduct of goods and commodities in waterborne
11 interstate or foreign commerce are defined as all activities of a
12 labor, service or transportation nature whereby cargo may be loaded
13 or unloaded to or from vessels or barges, passing over, onto or under
14 a wharf, pier, or similar structure; cargo may be moved to a
15 warehouse or similar holding or storage yard or area to await further
16 movement in import or export or may move to a consolidation freight
17 station and be stuffed, unstuffed, containerized, separated or
18 otherwise segregated or aggregated for delivery or loaded on any mode
19 of transportation for delivery to its consignee. Specific activities
20 included in this definition are: Wharfage, handling, loading,
21 unloading, moving of cargo to a convenient place of delivery to the
22 consignee or a convenient place for further movement to export mode;
23 documentation services in connection with the receipt, delivery,
24 checking, care, custody and control of cargo required in the transfer
25 of cargo; imported automobile handling prior to delivery to
26 consignee; terminal stevedoring and incidental vessel services,
27 including but not limited to plugging and unplugging refrigerator
28 service to containers, trailers, and other refrigerated cargo
29 receptacles, and securing ship hatch covers.

30 (~~(8)~~) (7)(a) Upon every person engaging within this state in
31 the business of disposing of low-level waste, as defined in RCW
32 43.145.010; as to such persons the amount of the tax with respect to
33 such business is equal to the gross income of the business, excluding
34 any fees imposed under chapter 43.200 RCW, multiplied by the rate of
35 3.3 percent.

36 (b) If the gross income of the taxpayer is attributable to
37 activities both within and without this state, the gross income
38 attributable to this state must be determined in accordance with the
39 methods of apportionment required under RCW 82.04.460.

1 ~~((9))~~ (8) Upon every person engaging within this state as an
2 insurance producer or title insurance agent licensed under chapter
3 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW;
4 as to such persons, the amount of the tax with respect to such
5 licensed activities is equal to the gross income of such business
6 multiplied by the rate of 0.484 percent.

7 ~~((10))~~ (9) Upon every person engaging within this state in
8 business as a hospital, as defined in chapter 70.41 RCW, that is
9 operated as a nonprofit corporation or by the state or any of its
10 political subdivisions, as to such persons, the amount of tax with
11 respect to such activities is equal to the gross income of the
12 business multiplied by the rate of 0.75 percent through June 30,
13 1995, and 1.5 percent thereafter.

14 ~~((11))~~ (10)(a) Beginning October 1, 2005, upon every person
15 engaging within this state in the business of manufacturing
16 commercial airplanes, or components of such airplanes, or making
17 sales, at retail or wholesale, of commercial airplanes or components
18 of such airplanes, manufactured by the seller, as to such persons the
19 amount of tax with respect to such business is, in the case of
20 manufacturers, equal to the value of the product manufactured and the
21 gross proceeds of sales of the product manufactured, or in the case
22 of processors for hire, equal to the gross income of the business,
23 multiplied by the rate of:

24 (i) 0.4235 percent from October 1, 2005, through June 30, 2007;
25 and

26 (ii) 0.2904 percent beginning July 1, 2007.

27 (b) Beginning July 1, 2008, upon every person who is not eligible
28 to report under the provisions of (a) of this subsection ~~((11))~~
29 (10) and is engaging within this state in the business of
30 manufacturing tooling specifically designed for use in manufacturing
31 commercial airplanes or components of such airplanes, or making
32 sales, at retail or wholesale, of such tooling manufactured by the
33 seller, as to such persons the amount of tax with respect to such
34 business is, in the case of manufacturers, equal to the value of the
35 product manufactured and the gross proceeds of sales of the product
36 manufactured, or in the case of processors for hire, be equal to the
37 gross income of the business, multiplied by the rate of 0.2904
38 percent.

1 (c) For the purposes of this subsection (~~((11))~~) (10),
2 "commercial airplane" and "component" have the same meanings as
3 provided in RCW 82.32.550.

4 (d) In addition to all other requirements under this title, a
5 person reporting under the tax rate provided in this subsection
6 (~~((11))~~) (10) must file a complete annual tax performance report with
7 the department under RCW 82.32.534.

8 (e)(i) Except as provided in (e)(ii) of this subsection (~~((11))~~)
9 (10), this subsection (~~((11))~~) (10) does not apply on and after July
10 1, 2040.

11 (ii) With respect to the manufacturing of commercial airplanes or
12 making sales, at retail or wholesale, of commercial airplanes, this
13 subsection (~~((11))~~) (10) does not apply on and after July 1st of the
14 year in which the department makes a determination that any final
15 assembly or wing assembly of any version or variant of a commercial
16 airplane that is the basis of a siting of a significant commercial
17 airplane manufacturing program in the state under RCW 82.32.850 has
18 been sited outside the state of Washington. This subsection (~~((11))~~)
19 (10)(e)(ii) only applies to the manufacturing or sale of commercial
20 airplanes that are the basis of a siting of a significant commercial
21 airplane manufacturing program in the state under RCW 82.32.850.

22 (~~((12))~~) (11)(a) Until July 1, 2024, upon every person engaging
23 within this state in the business of extracting timber or extracting
24 for hire timber; as to such persons the amount of tax with respect to
25 the business is, in the case of extractors, equal to the value of
26 products, including by-products, extracted, or in the case of
27 extractors for hire, equal to the gross income of the business,
28 multiplied by the rate of 0.4235 percent from July 1, 2006, through
29 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,
30 2024.

31 (b) Until July 1, 2024, upon every person engaging within this
32 state in the business of manufacturing or processing for hire: (i)
33 Timber into timber products or wood products; or (ii) timber products
34 into other timber products or wood products; as to such persons the
35 amount of the tax with respect to the business is, in the case of
36 manufacturers, equal to the value of products, including by-products,
37 manufactured, or in the case of processors for hire, equal to the
38 gross income of the business, multiplied by the rate of 0.4235
39 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent
40 from July 1, 2007, through June 30, 2024.

1 (c) Until July 1, 2024, upon every person engaging within this
2 state in the business of selling at wholesale: (i) Timber extracted
3 by that person; (ii) timber products manufactured by that person from
4 timber or other timber products; or (iii) wood products manufactured
5 by that person from timber or timber products; as to such persons the
6 amount of the tax with respect to the business is equal to the gross
7 proceeds of sales of the timber, timber products, or wood products
8 multiplied by the rate of 0.4235 percent from July 1, 2006, through
9 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,
10 2024.

11 (d) Until July 1, 2024, upon every person engaging within this
12 state in the business of selling standing timber; as to such persons
13 the amount of the tax with respect to the business is equal to the
14 gross income of the business multiplied by the rate of 0.2904
15 percent. For purposes of this subsection (~~((12))~~) (11)(d), "selling
16 standing timber" means the sale of timber apart from the land, where
17 the buyer is required to sever the timber within thirty months from
18 the date of the original contract, regardless of the method of
19 payment for the timber and whether title to the timber transfers
20 before, upon, or after severance.

21 (e) For purposes of this subsection, the following definitions
22 apply:

23 (i) "Biocomposite surface products" means surface material
24 products containing, by weight or volume, more than fifty percent
25 recycled paper and that also use nonpetroleum-based phenolic resin as
26 a bonding agent.

27 (ii) "Paper and paper products" means products made of interwoven
28 cellulosic fibers held together largely by hydrogen bonding. "Paper
29 and paper products" includes newsprint; office, printing, fine, and
30 pressure-sensitive papers; paper napkins, towels, and toilet tissue;
31 kraft bag, construction, and other kraft industrial papers;
32 paperboard, liquid packaging containers, containerboard, corrugated,
33 and solid-fiber containers including linerboard and corrugated
34 medium; and related types of cellulosic products containing
35 primarily, by weight or volume, cellulosic materials. "Paper and
36 paper products" does not include books, newspapers, magazines,
37 periodicals, and other printed publications, advertising materials,
38 calendars, and similar types of printed materials.

39 (iii) "Recycled paper" means paper and paper products having
40 fifty percent or more of their fiber content that comes from

1 postconsumer waste. For purposes of this subsection (~~((12))~~) (11)
2 (e)(iii), "postconsumer waste" means a finished material that would
3 normally be disposed of as solid waste, having completed its life
4 cycle as a consumer item.

5 (iv) "Timber" means forest trees, standing or down, on privately
6 or publicly owned land. "Timber" does not include Christmas trees
7 that are cultivated by agricultural methods or short-rotation
8 hardwoods as defined in RCW 84.33.035.

9 (v) "Timber products" means:

10 (A) Logs, wood chips, sawdust, wood waste, and similar products
11 obtained wholly from the processing of timber, short-rotation
12 hardwoods as defined in RCW 84.33.035, or both;

13 (B) Pulp, including market pulp and pulp derived from recovered
14 paper or paper products; and

15 (C) Recycled paper, but only when used in the manufacture of
16 biocomposite surface products.

17 (vi) "Wood products" means paper and paper products; dimensional
18 lumber; engineered wood products such as particleboard, oriented
19 strand board, medium density fiberboard, and plywood; wood doors;
20 wood windows; and biocomposite surface products.

21 (f) Except for small harvesters as defined in RCW 84.33.035, a
22 person reporting under the tax rate provided in this subsection
23 (~~((12))~~) (11) must file a complete annual tax performance report with
24 the department under RCW 82.32.534.

25 (~~((13))~~) (12) Upon every person engaging within this state in
26 inspecting, testing, labeling, and storing canned salmon owned by
27 another person, as to such persons, the amount of tax with respect to
28 such activities is equal to the gross income derived from such
29 activities multiplied by the rate of 0.484 percent.

30 (~~((14))~~) (13) (a) Upon every person engaging within this state in
31 the business of printing a newspaper, publishing a newspaper, or
32 both, the amount of tax on such business is equal to the gross income
33 of the business multiplied by the rate of 0.35 percent until July 1,
34 2024, and 0.484 percent thereafter.

35 (b) A person reporting under the tax rate provided in this
36 subsection (~~((14))~~) (13) must file a complete annual tax performance
37 report with the department under RCW 82.32.534.

38 **PART III**

39 **Miscellaneous Provisions**

1 NEW SECTION. **Sec. 301.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect July 1, 2019.

--- END ---