
ENGROSSED SUBSTITUTE HOUSE BILL 1521

State of Washington

67th Legislature

2021 Regular Session

By House Finance (originally sponsored by Representatives Entenman, Sullivan, Callan, Jacobsen, Taylor, Stokesbary, Gregerson, and Ormsby)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to supporting warehousing and manufacturing job
2 centers; adding new sections to chapter 82.14 RCW; creating a new
3 section; providing an effective date; providing an expiration date;
4 and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that changes in
7 sales tax sourcing laws created a significant negative fiscal impact
8 on communities with a concentration of warehousing, manufacturing,
9 and shipping. These communities are vital job centers to our state
10 economy and are some of the most diverse communities in our state.

11 Furthermore, the infrastructure demands to support these
12 industries are significant. The legislature hereby creates the
13 warehousing and manufacturing job center assistance program to
14 provide these communities with revenue to mitigate for the negative
15 fiscal impact of changes in sales tax sourcing laws, and fund
16 important infrastructure to maintain these key job centers.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14
18 RCW to read as follows:

19 (1) In order to mitigate local sales tax revenue net losses as a
20 result of the sourcing provisions of the streamlined sales and use

1 tax agreement under this title, the state treasurer, on July 1, 2021,
2 and each July 1st thereafter through July 1, 2026, must transfer into
3 the manufacturing and warehousing job centers account from the
4 general fund the sum required to provide mitigation payments to
5 qualifying jurisdictions as described under this section.

6 (2) The department shall provide each qualified local taxing
7 district a quarterly mitigation payment from the warehousing and
8 manufacturing job center assistance program equal to the streamlined
9 sales tax mitigation payment that was provided to that qualified
10 local taxing district on June 30, 2020. Starting on July 1, 2022, the
11 amount of the quarterly mitigation payment shall be reduced by 20
12 percent of the previous year's payment for that same quarter.

13 (3) "Qualified local taxing district" means a city that received
14 a quarterly streamlined sales tax mitigation payment from the state
15 on June 30, 2020, of at least \$60,000.

16 (4) This section expires July 1, 2026.

17 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.14
18 RCW to read as follows:

19 The manufacturing and warehousing job centers account is created
20 in the state treasury. All receipts from section 2 of this act must
21 be deposited into the account. Moneys in the account may be spent
22 only after appropriation. Expenditures from the account may be used
23 only for the purpose of mitigating the negative fiscal impacts to
24 local taxing jurisdictions as a result of the streamlined sales and
25 use tax agreement under this title.

26 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
27 preservation of the public peace, health, or safety, or support of
28 the state government and its existing public institutions, and takes
29 effect July 1, 2021.

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