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**SUBSTITUTE HOUSE BILL 1521**

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**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; and providing an expiration date.

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

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

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

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

18 (1) In order to mitigate local sales tax revenue net losses as a  
19 result of the sourcing provisions of the streamlined sales and use  
20 tax agreement under this title, the state treasurer, on July 1, 2021,

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

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

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

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

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

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

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