
HOUSE BILL 1522

State of Washington

67th Legislature

2021 Regular Session

By Representatives Barkis, Robertson, Kraft, Sutherland, Jacobsen, and Eslick

Read first time 02/11/21. Referred to Committee on Finance.

1 AN ACT Relating to lowering the cost of state-funded
2 transportation projects by eliminating business and occupation tax
3 pyramiding on engineering services; adding a new section to chapter
4 82.04 RCW; creating a new section; providing an effective date; and
5 providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04
8 RCW to read as follows:

9 (1) In computing tax due under this chapter, there may be
10 deducted from the measure of tax all amounts paid by an engineering
11 firm on subcontracts to a separate firm for services performed under
12 chapter 18.43 RCW wholly related to a state-funded transportation
13 project.

14 (2) This section expires January 1, 2032.

15 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
16 performance statement for the tax preference contained in section 1,
17 chapter . . ., Laws of 2021 (section 1 of this act). This performance
18 statement is only intended to be used for subsequent evaluation of
19 the tax preference. It is not intended to create a private right of

1 action by any party or to be used to determine eligibility for
2 preferential tax treatment.

3 (2) The legislature categorizes this tax preference as one
4 intended for the general purpose of making state transportation
5 projects more affordable by lowering overall projects costs, as
6 indicated in RCW 82.32.808(2)(f).

7 (3) It is the legislature's specific public policy objective to
8 lower the cost of state-funded transportation projects by eliminating
9 business and occupation tax pyramiding on engineering services.

10 (4) If a review finds that the engineering costs of state road
11 construction projects during the period under review is less, when
12 adjusted for inflation, than the same costs for the period from 2015
13 through 2020, then the legislature intends to extend the expiration
14 date of the tax preference. In making this review, the joint
15 legislative audit and review committee must consult with the
16 Washington state department of transportation.

17 (5) In order to obtain the data necessary to perform the review
18 in subsection (4) of this section, the joint legislative audit and
19 review committee may refer to any data collected by the state.

20 NEW SECTION. **Sec. 3.** This act takes effect October 1, 2021.

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