
SENATE BILL 5705

State of Washington

67th Legislature

2022 Regular Session

By Senators Kuderer, Lias, Mullet, and Saldaña; by request of Department of Financial Institutions

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1 AN ACT Relating to a sales and use tax deferral for projects to
2 improve the state route number 167 and Interstate 405 corridor;
3 adding a new section to chapter 47.56 RCW; creating a new section;
4 and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.56
7 RCW to read as follows:

8 (1)(a) A person involved in the construction of any state route
9 number 167 and Interstate 405 corridor project may apply to the
10 department of revenue for deferral of state and local sales and use
11 taxes owed by that person with respect to the site preparation for,
12 the construction of, the acquisition of any related machinery and
13 equipment that will become a part of, and the rental of equipment for
14 use in, the projects. The deferral is for purchases made and labor or
15 services rendered on or after the effective date of this section.

16 (b) Deferral applicants must submit their applications for
17 deferral in a form and manner prescribed by the department of
18 revenue. The application must contain information regarding estimated
19 or actual costs, time schedules for completion and operation, and
20 other information required by the department of revenue. The

1 department of revenue shall approve the application within 60 days if
2 it meets the requirements of this section.

3 (2) The department of revenue shall issue a sales and use tax
4 deferral certificate to qualifying applicants for state and local
5 sales and use taxes imposed or authorized under chapters 82.08,
6 82.12, and 82.14 RCW and RCW 81.104.170 on the project.

7 (3) A person granted a tax deferral under this section shall
8 begin paying the deferred taxes in the fifth year after the date the
9 department notifies the department of revenue in writing that all
10 projects qualifying for a deferral under this section are
11 operationally complete. The first payment is due on December 31st of
12 the fifth calendar year after the notification date, with subsequent
13 annual payments due on December 31st of the following nine years.
14 Each payment must equal 10 percent of the deferred tax.

15 (4) The department of revenue may authorize an accelerated
16 repayment schedule upon request of a person granted a deferral under
17 this section.

18 (5) Interest and penalties must not be charged on any taxes
19 deferred under this section for the period of deferral, although all
20 other penalties and interest applicable to delinquent excise taxes
21 may be assessed and imposed for delinquent payments under this
22 section. The debt for deferred taxes is not extinguished by
23 insolvency or other failure of any private entity granted a deferral
24 under this section.

25 (6) Applications and any other information received by the
26 department of revenue under this section are not confidential and are
27 subject to disclosure. Chapter 82.32 RCW applies to the
28 administration of this section.

29 (7) For purposes of this section, the following definitions
30 apply:

31 (a) "Person" has the same meaning as in RCW 82.04.030 and also
32 includes the department.

33 (b) "Qualifying applicant" means a person whose deferral
34 application under this section was approved by the department of
35 revenue.

36 (c) "State route number 167 and Interstate 405 corridor project"
37 means any of the following projects:

38 (i) Interstate 405 and state route number 522 vicinity to state
39 route number 527 express toll lanes improvement project (design
40 completion and construction);

- 1 (ii) Interstate 405 Renton to Bellevue widening and express toll
2 lanes project (construction of phase 3);
3 (iii) Northbound and southbound state route number 167 stage 6
4 extension project (design and construction);
5 (iv) Interstate 405 and North 8th Street direct access ramp
6 project (design and construction); and
7 (v) Northeast 85th Street toll equipment through the Interstate
8 405 and Northeast 85th Street interchange and inline bus rapid
9 transit station project (toll infrastructure construction).

10 NEW SECTION. **Sec. 2.** The provisions of RCW 82.32.805 and
11 82.32.808 do not apply to this act.

12 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2022.

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