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**SENATE BILL 5800**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senators Schoesler, Padden, and Rolfes

Read first time 01/11/22. Referred to Committee on Ways & Means.

1 AN ACT Relating to modifying tax and revenue laws in a manner  
2 that is estimated to not affect state or local tax collections by  
3 easing compliance burdens for taxpayers, clarifying ambiguities,  
4 making technical corrections, and providing administrative  
5 efficiencies; amending RCW 14.08.122, 19.02.115, 82.02.210,  
6 82.04.299, 82.08.025661, 82.08.820, 82.08.9997, 82.12.02685,  
7 82.12.820, 82.12.9997, 82.32.330, 82.32.534, 82.32.790, 82.62.030,  
8 and 84.52.065; and creating a new section.

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

10 **Sec. 1.** RCW 14.08.122 and 1999 c 302 s 1 are each amended to  
11 read as follows:

12 An airport operator may adopt all regulations necessary for  
13 rental and use of airport facilities and for the expeditious  
14 collection of airport charges. The regulations may also establish  
15 procedures for the enforcement of these regulations by the airport  
16 operator. The regulations shall include the following:

17 (1) Procedures authorizing airport personnel to take reasonable  
18 measures including, but not limited to, the use of chains, ropes, and  
19 locks to secure aircraft within the airport facility so that the  
20 aircraft are in the possession and control of the airport operator  
21 and cannot be removed from the airport. These procedures may be used

1 if an owner hangaring or parking an aircraft at the airport fails,  
2 after being notified that charges are owing and of the owner's right  
3 to contest that such charges are owing, to pay the airport charges  
4 owed or to commence legal proceedings. Notification shall be by  
5 registered mail to the owner at his or her last known address. In the  
6 case of an aircraft where an owner's address cannot be determined or  
7 obtained after reasonable effort, the airport operator need not give  
8 such notice prior to securing the aircraft. At the time of securing  
9 the aircraft, an authorized airport employee shall attach to the  
10 aircraft a readily visible notice and shall make a reasonable attempt  
11 to send a copy of the notice to the owner at his or her last known  
12 address by registered mail, return receipt requested, and an  
13 additional copy of the notice by first-class mail. The notice shall  
14 be of a reasonable size and shall contain the following information:

- 15 (a) The date and time the notice was attached;
- 16 (b) A reasonable description of the aircraft;
- 17 (c) The identity of the authorized employee;
- 18 (d) The amount of airport charges owing;
- 19 (e) A statement that if the account is not paid in full within  
20 ninety days from the time the notice was attached the aircraft may be  
21 sold at public auction to satisfy the airport charges;
- 22 (f) A statement of the owner's right to commence legal  
23 proceedings to contest the charges owing and to have the aircraft  
24 released upon posting of an adequate cash bond or other security; and
- 25 (g) The address and telephone number where additional information  
26 may be obtained concerning the release of the aircraft.

27 (2) Procedures authorizing airport personnel at their discretion  
28 to move aircraft to an area within the airport operator's control or  
29 for storage with private persons under the airport operator's control  
30 as bailees of the airport facility. Costs of any such procedure shall  
31 be paid by the aircraft's owner.

32 (3) If an aircraft is secured under subsection (1) of this  
33 section or moved under conditions authorized by subsection (2) of  
34 this section the owner who is obligated for hangaring or parking or  
35 other airport charges may regain possession of the aircraft by:

- 36 (a) Making arrangements satisfactory with the airport operator  
37 for the immediate removal of the aircraft from the airport's hangar,  
38 or making arrangements for authorized parking; and

39 (b) By making payment to the airport operator of all airport  
40 charges or by posting with the airport operator a sufficient cash

1 bond or other security acceptable to such operator, to be held in  
2 trust by the airport operator pending written agreement of the  
3 parties with respect to payment by the aircraft owner of the amount  
4 owing, or pending resolution of charges in a civil action in a court  
5 of competent jurisdiction. Upon written agreement or judicial  
6 resolution, the trust shall terminate and the airport operator shall  
7 receive so much of the bond or other security as is necessary to  
8 satisfy the agreement, or any judgment, costs, and interest as may be  
9 awarded to the airport operator. The balance shall be refunded  
10 immediately to the owner at the owner's last known address by  
11 registered mail, return receipt requested. The airport operator shall  
12 send to the owner by first-class mail a notice that the balance of  
13 funds was forwarded to him or her by registered mail, return receipt  
14 requested.

15 (4) If an aircraft parked or hangared at an airport is abandoned,  
16 the airport operator may authorize the public sale of the aircraft by  
17 authorized personnel to the highest and best bidder for cash as  
18 follows:

19 (a) If an aircraft has been secured by the airport operator under  
20 subsection (1) of this section and is not released to the owner under  
21 the bonding provisions of this section within ninety days after  
22 notifying or attempting to notify the owner under subsection (1) of  
23 this section, or in all other cases, for ninety days after the  
24 airport operator secures the aircraft, the aircraft shall be  
25 conclusively presumed to have been abandoned by the owner;

26 (b) Before the aircraft is sold, the owner of the aircraft shall  
27 be given at least twenty days' notice of sale by registered mail,  
28 return receipt requested, if the name and address of the owner are  
29 known, and the notice of sale shall be published at least once, more  
30 than ten but less than twenty days before the sale, in a newspaper of  
31 general circulation in the county in which the airport is located.  
32 The notice shall include the name of the aircraft, if any, its  
33 aircraft identification number, the last known owner and address, the  
34 time and place of sale, the amount of airport charges that will be  
35 owing at the time of sale, a reasonable description of the aircraft  
36 to be sold and a statement that the airport operator may bid all or  
37 part of its airport charges at the sale and may become a purchaser at  
38 the sale;

39 (c) Before the aircraft is sold, any person seeking to redeem an  
40 impounded aircraft under this section may commence a lawsuit in the

1 superior court of the county in which the aircraft was impounded, to  
2 contest the validity of the impoundment or the amount of airport  
3 charges owing. Such lawsuit must be commenced within ten days of the  
4 date the notification was provided under subsection (1) of this  
5 section, or the right to a hearing is waived and the owner is liable  
6 for any airport charges owing the airport operator. In the event of  
7 litigation, the prevailing party is entitled to reasonable attorneys'  
8 fees and costs;

9 (d) The proceeds of a sale under this section shall first be  
10 applied to payment of airport charges owed. The balance, if any,  
11 shall be deposited with the department of revenue to be held in trust  
12 for the owner or owners and lienholders for a period of one year from  
13 the date of sale. If more than one owner appears on the aircraft  
14 title, and/or if any liens appear on the title, the department must,  
15 if a claim is made, interplead the balance into a court of competent  
16 jurisdiction for distribution. The department may release the balance  
17 to the legal owner provided that the claim is made within one year of  
18 sale and only one legal owner and no lienholders appear on the title.  
19 If no valid claim is made within one year of the date of sale, the  
20 excess funds from the sale shall be deposited in the ~~((aircraft~~  
21 ~~search and rescue, safety, and education account created in RCW~~  
22 ~~47.68.236)) aeronautics account created under RCW 82.42.090. If the  
23 sale is for a sum less than the applicable airport charges, the  
24 airport operator is entitled to assert a claim against the aircraft  
25 owner or owners for the deficiency;~~

26 (e) In the event that no one purchases the aircraft at a sale, or  
27 that the aircraft is not removed from the premises or other  
28 arrangements are not made within ten days of the sale, title to the  
29 aircraft shall revert to the airport operator.

30 (5) The regulations authorized under this section shall be  
31 enforceable only if:

32 (a) The airport operator has had its tariff and/or regulations,  
33 including any and all regulations authorizing the impoundment of an  
34 aircraft that is the subject of delinquent airport charges,  
35 conspicuously posted at the airport manager's office at all times(~~(-~~  
36 ~~+))~~);

37 (b) All impounding remedies available to the airport operator are  
38 included in any written contract for airport charges between an  
39 airport operator and an aircraft owner; and

1 (c) All rules and regulations authorized under this section are  
2 adopted either pursuant to chapter 34.05 RCW, or by resolution of the  
3 appropriate legislative authority, as applicable.

4 **Sec. 2.** RCW 19.02.115 and 2017 c 323 s 701 are each amended to  
5 read as follows:

6 (1) The definitions in this subsection apply throughout this  
7 section unless the context clearly requires otherwise.

8 (a) "Disclose" means to make known to any person in any manner  
9 licensing information.

10 (b) "Licensing information" means any information created or  
11 obtained by the department in the administration of this chapter and  
12 chapters 19.80 and 59.30 RCW, which information relates to any person  
13 who: (i) Has applied for or has been issued a license or trade name;  
14 or (ii) has been issued an assessment or delinquency fee. Licensing  
15 information includes initial and renewal business license  
16 applications, and business licenses.

17 (c) "Person" has the same meaning as in RCW 82.04.030 and also  
18 includes the state and the state's departments and institutions.

19 (d) "State agency" means every Washington state office,  
20 department, division, bureau, board, commission, or other state  
21 agency.

22 (2) Licensing information is confidential and privileged, and  
23 except as authorized by this section, neither the department nor any  
24 other person may disclose any licensing information. Nothing in this  
25 chapter requires any person possessing licensing information made  
26 confidential and privileged by this section to delete information  
27 from such information so as to permit its disclosure.

28 (3) This section does not prohibit the department of revenue, or  
29 any other person receiving licensing information from the department  
30 under this subsection, from:

31 (a) Disclosing licensing information in a civil or criminal  
32 judicial proceeding or an administrative proceeding:

33 (i) In which the person about whom such licensing information is  
34 sought and the department, another state agency, or a local  
35 government are adverse parties in the proceeding; or

36 (ii) Involving a dispute arising out of the department's  
37 administration of chapter 19.80 or 59.30 RCW, or this chapter if the  
38 licensing information relates to a party in the proceeding;

1 (b) Disclosing, subject to such requirements and conditions as  
2 the director prescribes by rules adopted pursuant to chapter 34.05  
3 RCW, such licensing information regarding a license applicant or  
4 license holder to such license applicant or license holder or to such  
5 person or persons as that license applicant or license holder may  
6 designate in a request for, or consent to, such disclosure, or to any  
7 other person, at the license applicant's or license holder's request,  
8 to the extent necessary to comply with a request for information or  
9 assistance made by the license applicant or license holder to such  
10 other person. However, licensing information not received from the  
11 license applicant or holder must not be so disclosed if the director  
12 determines that such disclosure would compromise any investigation or  
13 litigation by any federal, state, or local government agency in  
14 connection with the civil or criminal liability of the license  
15 applicant, license holder, or another person, or that such disclosure  
16 would identify a confidential informant, or that such disclosure is  
17 contrary to any agreement entered into by the department that  
18 provides for the reciprocal exchange of information with other  
19 government agencies, which agreement requires confidentiality with  
20 respect to such information unless such information is required to be  
21 disclosed to the license applicant or license holder by the order of  
22 any court;

23 (c) Publishing statistics so classified as to prevent the  
24 identification of particular licensing information;

25 (d) Disclosing licensing information for official purposes only,  
26 to the governor or attorney general, or to any state agency, or to  
27 any committee or subcommittee of the legislature dealing with matters  
28 of taxation, revenue, trade, commerce, the control of industry or the  
29 professions, or licensing;

30 (e) Permitting the department's records to be audited and  
31 examined by the proper state officer, his or her agents and  
32 employees;

33 (f) Disclosing any licensing information to a peace officer as  
34 defined in RCW 9A.04.110 or county prosecuting attorney, for official  
35 purposes. The disclosure may be made only (~~in response to a search~~  
36 ~~warrant, subpoena, or other court order, unless the disclosure is~~)  
37 for the purpose of (~~criminal tax or license~~) review, investigation,  
38 or enforcement activities related to a license or license  
39 application. A peace officer or county prosecuting attorney who  
40 receives the licensing information may disclose that licensing

1 information only (~~for use in the investigation and a related court~~  
2 ~~proceeding, or in the court proceeding for which the licensing~~  
3 ~~information originally was sought~~) in conformance with restrictions  
4 found in this section;

5 (g) Disclosing, in a manner that is not associated with other  
6 licensing information, the name of a license applicant or license  
7 holder, entity type, registered trade name, business address, mailing  
8 address, unified business identifier number, list of licenses issued  
9 to a person through the business licensing system established in this  
10 chapter and their issuance and expiration dates, and the dates of  
11 opening of a business. This subsection may not be construed as giving  
12 authority to the department to give, sell, or provide access to any  
13 list of persons for any commercial purpose;

14 (h) Disclosing licensing information that is also maintained by  
15 another Washington state or local governmental agency as a public  
16 record available for inspection and copying under the provisions of  
17 chapter 42.56 RCW or is a document maintained by a court of record  
18 and is not otherwise prohibited from disclosure;

19 (i) Disclosing any licensing information when the disclosure is  
20 specifically authorized under any other section of the Revised Code  
21 of Washington;

22 (j) Disclosing licensing information to the proper officer of the  
23 licensing or tax department of any city, town, or county of this  
24 state, for official purposes. If the licensing information does not  
25 relate to a license issued by the city, town, or county requesting  
26 the licensing information, disclosure may be made only if the laws of  
27 the requesting city, town, or county grants substantially similar  
28 privileges to the proper officers of this state; or

29 (k) Disclosing licensing information to the federal government  
30 for official purposes.

31 (4) Notwithstanding anything to the contrary in this section, a  
32 state agency or local government agency may disclose licensing  
33 information relating to a license issued on its behalf by the  
34 department pursuant to this chapter if the disclosure is authorized  
35 by another statute, local law, or administrative rule.

36 (5) The department, any other state agency, or local government  
37 may refuse to disclose licensing information that is otherwise  
38 disclosable under subsection (3) of this section if such disclosure  
39 would violate federal law or any information sharing agreement  
40 between the state or local government and federal government.

1 (6) Any person acquiring knowledge of any licensing information  
2 in the course of his or her employment with the department and any  
3 person acquiring knowledge of any licensing information as provided  
4 under subsection (3)(d), (e), (f), (j), or (k) of this section, who  
5 discloses any such licensing information to another person not  
6 entitled to knowledge of such licensing information under the  
7 provisions of this section, is guilty of a misdemeanor. If the person  
8 guilty of such violation is an officer or employee of the state, such  
9 person must forfeit such office or employment and is incapable of  
10 holding any public office or employment in this state for a period of  
11 two years thereafter.

12 **Sec. 3.** RCW 82.02.210 and 2007 c 6 s 105 are each amended to  
13 read as follows:

14 (1) It is the intent of the legislature that Washington join as a  
15 member state in the streamlined sales and use tax agreement referred  
16 to in chapter 82.58 RCW. The agreement provides for a simpler and  
17 more uniform sales and use tax structure among states that have sales  
18 and use taxes. The intent of the legislature is to bring Washington's  
19 sales and use tax system into compliance with the agreement so that  
20 Washington may join as a member state and have a voice in the  
21 development and administration of the system, and to substantially  
22 reduce the burden of tax compliance on sellers.

23 (2) Chapter 168, Laws of 2003 does not include changes to  
24 Washington law that may be required in the future and that are not  
25 fully developed under the agreement. These include, but are not  
26 limited to, changes relating to online registration, reporting, and  
27 remitting of payments by businesses for sales and use tax purposes,  
28 monetary allowances for sellers and their agents, sourcing, and  
29 amnesty for businesses registering under the agreement.

30 (3) It is the intent of the legislature that the provisions of  
31 this title relating to the administration and collection of state and  
32 local sales and use taxes be interpreted and applied consistently  
33 with the agreement.

34 (4) The department of revenue shall report to the fiscal  
35 committees of the legislature (~~on January 1, 2004, and each January~~  
36 ~~1st thereafter, on the development of the agreement and shall~~  
37 ~~recommend changes to the sales and use tax structure and propose~~  
38 ~~legislation as may be necessary to keep Washington in compliance with~~  
39 ~~the agreement~~)) by January 1st of the year immediately following any



1 year during which the streamlined sales and use tax agreement is  
2 amended, if legislation is required to keep Washington in compliance  
3 with the agreement.

4 **Sec. 4.** RCW 82.04.299 and 2020 c 2 s 4 are each amended to read  
5 as follows:

6 (1) (a) Beginning with business activities occurring on or after  
7 April 1, 2020, in addition to the taxes imposed under RCW  
8 82.04.290(2), a workforce education investment surcharge is imposed  
9 on select advanced computing businesses. The surcharge is equal to  
10 the gross income of the business subject to the tax under RCW  
11 82.04.290(2), multiplied by the rate of 1.22 percent.

12 (b) Except as provided in (e) of this subsection (1), in no case  
13 will the combined surcharge imposed under this subsection (1) paid by  
14 all members of an affiliated group be more than nine million dollars  
15 annually.

16 (c) For persons subject to the surcharge imposed under this  
17 subsection (1) that report under one or more tax classifications, the  
18 surcharge applies only to business activities taxed under RCW  
19 82.04.290(2).

20 (d) The surcharge imposed under this subsection (1) must be  
21 reported and paid on a quarterly basis in a manner as required by the  
22 department. Returns and amounts payable under this subsection (1) are  
23 due by the last day of the month immediately following the end of the  
24 reporting period covered by the return. All other taxes must be  
25 reported and paid as required under RCW 82.32.045.

26 (e) (i) To aid in the effective administration of the surcharge in  
27 this subsection (1), the department may require persons believed to  
28 be engaging in advanced computing or affiliated with a person  
29 believed to be engaging in advanced computing to disclose whether  
30 they are a member of an affiliated group and, if so, to identify all  
31 other members of the affiliated group subject to the surcharge.

32 (ii) If the department establishes, by clear, cogent, and  
33 convincing evidence, that one or more members of an affiliated group,  
34 with intent to evade the surcharge under this subsection (1), failed  
35 to fully comply with this subsection (1)(e), the department must  
36 assess against that person, or those persons collectively, a penalty  
37 equal to fifty percent of the amount of the total surcharge payable  
38 by all members of that affiliated group for the calendar year during  
39 which the person or persons failed to fully comply with this

1 subsection (1)(e). The penalty under this subsection (1)(e) is in  
2 lieu of and not in addition to the evasion penalty under RCW  
3 82.32.090(7).

4 (f) For the purposes of this subsection (1) the following  
5 definitions apply:

6 (i) "Advanced computing" means designing or developing computer  
7 software or computer hardware, whether directly or contracting with  
8 another person, including ~~((modifications))~~: Modifications to  
9 computer software or computer hardware~~((r))~~; cloud computing  
10 services~~((r))~~; or operating ~~((an—online))~~ as a marketplace  
11 facilitator as defined by RCW 82.08.0531, an online search engine, or  
12 online social networking platform;

13 (ii) "Affiliate" and "affiliated" means a person that directly or  
14 indirectly, through one or more intermediaries, controls, is  
15 controlled by, or is under common control with another person;

16 (iii) "Affiliated group" means a group of two or more persons  
17 that are affiliated with each other;

18 (iv) "Cloud computing services" means on-demand delivery of  
19 computing resources, such as networks, servers, storage,  
20 applications, and services, over the internet;

21 (v) "Control" means the possession, directly or indirectly, of  
22 more than fifty percent of the power to direct or cause the direction  
23 of the management and policies of a person, whether through the  
24 ownership of voting shares, by contract, or otherwise; and

25 (vi) "Select advanced computing business" means a person who is a  
26 member of an affiliated group with at least one member of the  
27 affiliated group engaging in the business of advanced computing, and  
28 the affiliated group has worldwide gross revenue of more than twenty-  
29 five billion dollars during the immediately preceding calendar year.  
30 A person who is primarily engaged within this state in the provision  
31 of commercial mobile service, as that term is defined in 47 U.S.C.  
32 Sec. 332(d)(1), shall not be considered a select advanced computing  
33 business. A person who is primarily engaged in this state in the  
34 operation and provision of access to transmission facilities and  
35 infrastructure that the person owns or leases for the transmission of  
36 voice, data, text, sound, and video using wired telecommunications  
37 networks shall not be considered a select advanced computing  
38 business. A person that is primarily engaged in business as a  
39 "financial institution" as defined in RCW 82.04.29004, as that  
40 section existed on January 1, 2020, shall not be considered a select

1 advanced computing business. For purposes of this subsection  
2 (1)(f)(vi), "primarily" is determined based on gross income of the  
3 business.

4 (2) The workforce education investment surcharge under this  
5 section does not apply to any hospital as defined in RCW 70.41.020,  
6 including any hospital that comes within the scope of chapter 71.12  
7 RCW if the hospital is also licensed under chapter 70.41 RCW.

8 (3) Revenues from the surcharge under this section must be  
9 deposited directly into the workforce education investment account  
10 established in RCW 43.79.195.

11 (4) The department has the authority to determine through an  
12 audit or other investigation whether a person is subject to the  
13 surcharge imposed in this section.

14 **Sec. 5.** RCW 82.08.025661 and 2016 c 191 s 2 are each amended to  
15 read as follows:

16 (1) Subject to the requirements of this section, the tax levied  
17 by RCW 82.08.020 does not apply to:

18 (a) Charges for labor and services rendered in respect to the  
19 constructing of new buildings, made to: (i) An eligible maintenance  
20 repair operator engaged in the maintenance of airplanes; or (ii) a  
21 port district, political subdivision, or municipal corporation, if  
22 the new building is to be leased to an eligible maintenance repair  
23 operator engaged in the maintenance of airplanes;

24 (b) Sales of tangible personal property that will be incorporated  
25 as an ingredient or component of such buildings during the course of  
26 the constructing; or

27 (c) Charges made for labor and services rendered in respect to  
28 installing, during the course of constructing such buildings,  
29 building fixtures not otherwise eligible for the exemption under RCW  
30 82.08.02565.

31 (2)(a) The exemption in this section is in the form of a  
32 remittance. A buyer claiming an exemption from the tax in the form of  
33 a remittance under this section must pay all applicable state and  
34 local sales taxes imposed under RCW 82.08.020 and chapter 82.14 RCW  
35 on all purchases qualifying for the exemption.

36 (b) The department must determine eligibility under this section  
37 based on information provided by the buyer and through audit and  
38 other administrative records. The buyer may on a quarterly basis  
39 submit an application, in a form and manner as required by the

1 department by rule, specifying the amount of exempted tax claimed and  
2 the qualifying purchases or acquisitions for which the exemption is  
3 claimed. The buyer must retain, in adequate detail to enable the  
4 department to determine whether the equipment or construction meets  
5 the criteria under this section: Invoices; proof of tax paid;  
6 documents describing the location and size of new structures; and  
7 construction invoices and documents.

8 (c) The department must on a quarterly basis remit exempted  
9 amounts to qualifying persons who submitted applications during the  
10 previous quarter.

11 (d) A person may request a remittance for state sales and use  
12 taxes after the aircraft maintenance and repair station has been  
13 operationally complete for four years, but not sooner than December  
14 1, 2021. However, the department may not remit the state portion of  
15 sales and use taxes if the person did not report at least one hundred  
16 average employment positions to the employment security department  
17 for (~~September~~) October 1, 2020, through September (~~1~~) 30, 2021,  
18 with an average annualized wage of eighty thousand dollars. A person  
19 must provide the department with the unemployment insurance number  
20 provided to the employment security department for the establishment.

21 (e) A person may request a remittance for local sales and use  
22 taxes on or after July 1, 2016.

23 (3) In order to qualify under this section before starting  
24 construction, the port district, political subdivision, or municipal  
25 corporation must have entered into an agreement with an eligible  
26 maintenance repair operator to build such a facility. A person  
27 claiming the exemption under this section is subject to all the  
28 requirements of chapter 82.32 RCW. In addition, the person must file  
29 a complete annual report with the department under RCW 82.32.534.

30 (4) The definitions in this subsection apply throughout this  
31 section unless the context clearly requires otherwise.

32 (a) "Eligible maintenance repair operator" means a person  
33 classified by the federal aviation administration as a federal  
34 aviation regulation part 145 certificated repair station and located  
35 in an international airport owned by a county with a population  
36 greater than one million five hundred thousand.

37 (b) "Operationally complete" means constructed to the point of  
38 being functionally capable of hosting the repair and maintenance of  
39 airplanes.

40 (5) This section expires January 1, 2027.

1       **Sec. 6.** RCW 82.08.820 and 2014 c 140 s 23 are each amended to  
2 read as follows:

3       (1) Wholesalers or third-party warehouseers who own or operate  
4 warehouses or grain elevators and retailers who own or operate  
5 distribution centers, and who have paid the tax levied by RCW  
6 82.08.020 on:

7       (a) Material-handling and racking equipment, and labor and  
8 services rendered in respect to installing, repairing, cleaning,  
9 altering, or improving the equipment; or

10       (b) Construction of a warehouse or grain elevator, including  
11 materials, and including service and labor costs,  
12 are eligible for an exemption in the form of a remittance. The amount  
13 of the remittance is computed under subsection (~~((3))~~) (4) of this  
14 section and is based on the state share of sales tax.

15       (2) To qualify for the exemption in subsection (1) of this  
16 section:

17       (a) Warehouseers must dedicate at least 200,000 square feet of the  
18 warehouse exclusively to the storage of goods to be sold at  
19 wholesale;

20       (b) Third-party warehouseers must dedicate at least 200,000 square  
21 feet of the warehouse exclusively to the storage of goods owned by  
22 another person; and

23       (c) Retail distribution centers operated by a person must be  
24 exclusively used to store products delivered to retail outlets owned  
25 by that person. The retail distribution center may not be used to  
26 ship products directly to customers of the person operating the  
27 retail distribution center.

28       (3) For purposes of this section and RCW 82.12.820:

29       (a) "Agricultural products" has the meaning given in RCW  
30 82.04.213;

31       (b) "Construction" means the actual construction of a warehouse  
32 or grain elevator that did not exist before the construction began.  
33 "Construction" includes expansion if the expansion adds at least two  
34 hundred thousand square feet of additional space to an existing  
35 warehouse or additional storage capacity of at least one million  
36 bushels to an existing grain elevator. "Construction" does not  
37 include renovation, remodeling, or repair;

38       (c) "Department" means the department of revenue;

39       (d) "Distribution center" means a warehouse that is used  
40 exclusively by a retailer solely for the storage and distribution of

1 finished goods to retail outlets of the retailer. "Distribution  
2 center" does not include a warehouse at which retail sales occur;

3 (e) "Finished goods" means tangible personal property intended  
4 for sale by a retailer or wholesaler. "Finished goods" does not  
5 include:

6 (i) Agricultural products stored by wholesalers, third-party  
7 warehouses, or retailers if the storage takes place on the land of  
8 the person who produced the agricultural product;

9 (ii) Logs, minerals, petroleum, gas, or other extracted products  
10 stored as raw materials or in bulk; or

11 (iii) Marijuana, useable marijuana, or marijuana-infused  
12 products;

13 (f) "Grain elevator" means a structure used for storage and  
14 handling of grain in bulk;

15 (g) "Material-handling equipment and racking equipment" means  
16 equipment in a warehouse or grain elevator that is primarily used to  
17 handle, store, organize, convey, package, or repackage finished  
18 goods. The term includes tangible personal property with a useful  
19 life of one year or more that becomes an ingredient or component of  
20 the equipment, including repair and replacement parts. The term does  
21 not include equipment in offices, lunchrooms, restrooms, and other  
22 like space, within a warehouse or grain elevator, or equipment used  
23 for nonwarehousing purposes. "Material-handling equipment" includes  
24 but is not limited to: Conveyers, carousels, lifts, positioners,  
25 pick-up-and-place units, cranes, hoists, mechanical arms, and robots;  
26 mechanized systems, including containers that are an integral part of  
27 the system, whose purpose is to lift or move tangible personal  
28 property; and automated handling, storage, and retrieval systems,  
29 including computers that control them, whose purpose is to lift or  
30 move tangible personal property; and forklifts and other off-the-road  
31 vehicles that are used to lift or move tangible personal property and  
32 that cannot be operated legally on roads and streets. "Racking  
33 equipment" includes, but is not limited to, conveying systems,  
34 chutes, shelves, racks, bins, drawers, pallets, and other containers  
35 and storage devices that form a necessary part of the storage system;

36 (h) "Person" has the meaning given in RCW 82.04.030;

37 (i) "Retailer" means a person who makes "sales at retail" as  
38 defined in chapter 82.04 RCW of tangible personal property;

39 (j) "Square footage" means the product of the two horizontal  
40 dimensions of each floor of a specific warehouse. The entire

1 footprint of the warehouse must be measured in calculating the square  
2 footage, including space that juts out from the building profile such  
3 as loading docks. "Square footage" does not mean the aggregate of the  
4 square footage of more than one warehouse at a location or the  
5 aggregate of the square footage of warehouses at more than one  
6 location;

7 (k) "Third-party warehouser" means a person taxable under RCW  
8 82.04.280(1)(d);

9 (l) "Warehouse" means an enclosed building or structure in which  
10 finished goods are stored. A warehouse building or structure may have  
11 more than one storage room and more than one floor. Office space,  
12 lunchrooms, restrooms, and other space within the warehouse and  
13 necessary for the operation of the warehouse are considered part of  
14 the warehouse as are loading docks and other such space attached to  
15 the building and used for handling of finished goods. Landscaping and  
16 parking lots are not considered part of the warehouse. A storage yard  
17 is not a warehouse, nor is a building in which manufacturing takes  
18 place; and

19 (m) "Wholesaler" means a person who makes "sales at wholesale" as  
20 defined in chapter 82.04 RCW of tangible personal property, but  
21 "wholesaler" does not include a person who makes sales exempt under  
22 RCW 82.04.330.

23 ~~((3))~~ (4)(a) A person claiming an exemption from state tax in  
24 the form of a remittance under this section must pay the tax imposed  
25 by RCW 82.08.020. The buyer may then apply to the department for  
26 remittance of all or part of the tax paid under RCW 82.08.020. For  
27 grain elevators with bushel capacity of one million but less than two  
28 million, the remittance is equal to fifty percent of the amount of  
29 tax paid. For warehouses with square footage of two hundred thousand  
30 or more and for grain elevators with bushel capacity of two million  
31 or more, the remittance is equal to one hundred percent of the amount  
32 of tax paid for qualifying construction, materials, service, and  
33 labor, and fifty percent of the amount of tax paid for qualifying  
34 material-handling equipment and racking equipment, and labor and  
35 services rendered in respect to installing, repairing, cleaning,  
36 altering, or improving the equipment.

37 (b) The department must determine eligibility under this section  
38 based on information provided by the buyer and through audit and  
39 other administrative records. The buyer must on a quarterly basis  
40 submit an information sheet, in a form and manner as required by the

1 department by rule, specifying the amount of exempted tax claimed and  
2 the qualifying purchases or acquisitions for which the exemption is  
3 claimed. The buyer must retain, in adequate detail to enable the  
4 department to determine whether the equipment or construction meets  
5 the criteria under this section: Invoices; proof of tax paid;  
6 documents describing the material-handling equipment and racking  
7 equipment; location and size of warehouses and grain elevators; and  
8 construction invoices and documents.

9 (c) The department must on a quarterly basis remit exempted  
10 amounts to qualifying persons who submitted applications during the  
11 previous quarter.

12 (~~(4)~~) (5) Warehouses, grain elevators, and material-handling  
13 equipment and racking equipment for which an exemption, credit, or  
14 deferral has been or is being received under chapter 82.60, 82.62, or  
15 82.63 RCW or RCW 82.08.02565 or 82.12.02565 are not eligible for any  
16 remittance under this section. Warehouses and grain elevators upon  
17 which construction was initiated before May 20, 1997, are not  
18 eligible for a remittance under this section.

19 (~~(5)~~) (6) The lessor or owner of a warehouse or grain elevator  
20 is not eligible for a remittance under this section unless the  
21 underlying ownership of the warehouse or grain elevator and the  
22 material-handling equipment and racking equipment vests exclusively  
23 in the same person, or unless the lessor by written contract agrees  
24 to pass the economic benefit of the remittance to the lessee in the  
25 form of reduced rent payments.

26 **Sec. 7.** RCW 82.08.9997 and 2015 c 207 s 4 are each amended to  
27 read as follows:

28 The taxes imposed by this chapter do not apply to the retail sale  
29 of marijuana, useable marijuana, marijuana concentrates, and  
30 marijuana-infused products covered by an agreement entered into under  
31 RCW 43.06.490. "Marijuana," "useable marijuana," "marijuana  
32 concentrates," and "marijuana-infused products" have the same meaning  
33 as defined in RCW 69.50.101. The provisions of RCW 82.32.805 and  
34 82.32.808 do not apply to this section.

35 **Sec. 8.** RCW 82.12.02685 and 2021 c 250 s 2 are each amended to  
36 read as follows:

37 (1) The provisions of this chapter shall not apply in respect to  
38 the use of tangible personal property that becomes an ingredient or



1 component of buildings or other structures, in which at least 50  
2 percent of housing units in the development are used as farmworker  
3 housing, during the course of constructing, repairing, decorating, or  
4 improving the buildings or other structures by any person.

5 (2) The exemption provided in this section for farmworker housing  
6 provided on a year-round basis only applies if that housing is built  
7 to the current building code for single-family or multifamily  
8 dwellings according to the state building code, chapter 19.27 RCW.

9 (3) Any farmworker housing built under this section shall be used  
10 according to this section for at least five consecutive years from  
11 the date the housing is approved for occupancy, or the full amount of  
12 a tax otherwise due shall be immediately due and payable together  
13 with interest, but not penalties, from the date the housing is  
14 approved for occupancy until the date of payment. If at any time  
15 farmworker housing ceases to be used in the manner specified in  
16 subsection (2) of this section, the full amount of tax otherwise due  
17 shall be immediately due and payable with interest, but not  
18 penalties, from the date the housing ceases to be used as farmworker  
19 housing until the date of payment.

20 (4) The exemption provided in this section shall not apply to  
21 housing built for the occupancy of an employer, family members of an  
22 employer, or persons owning stock or shares in a farm partnership or  
23 corporation business.

24 (5) If during any agricultural season in the qualifying five  
25 years under subsection (3) of this section the housing is occupied by  
26 a farmworker who does not have an H-2A visa, then the housing will be  
27 considered not to be exclusively built for workers on an H-2A visa.

28 (6) The definitions in RCW 82.08.02745(6) apply to this section.

29 (7) This section expires January 1, 2032.

30 **Sec. 9.** RCW 82.12.820 and 2006 c 354 s 13 are each amended to  
31 read as follows:

32 (1) Wholesalers or third-party warehouseers who own or operate  
33 warehouses or grain elevators, and retailers who own or operate  
34 distribution centers, and who have paid the tax levied under RCW  
35 82.12.020 on:

36 (a) Material-handling equipment and racking equipment and labor  
37 and services rendered in respect to installing, repairing, cleaning,  
38 altering, or improving the equipment; or

1 (b) Materials incorporated in the construction of a warehouse or  
2 grain elevator, are eligible for an exemption on tax paid in the form  
3 of a remittance or credit against tax owed. The amount of the  
4 remittance or credit is computed under subsection (~~((2))~~) (3) of this  
5 section and is based on the state share of use tax.

6 (2) To qualify for the exemption in subsection (1) of this  
7 section:

8 (a) Warehouseers must dedicate at least 200,000 square feet of the  
9 warehouse exclusively to the storage of goods to be sold at  
10 wholesale;

11 (b) Third-party warehouseers must dedicate at least 200,000 square  
12 feet of the warehouse exclusively to the storage of goods owned by  
13 another person; and

14 (c) Retail distribution centers operated by a person must be  
15 exclusively used to store products delivered to retail outlets owned  
16 by that person. The retail distribution center may not be used to  
17 ship products directly to customers of the person operating the  
18 retail distribution center.

19 (3)(a) A person claiming an exemption from state tax in the form  
20 of a remittance under this section must pay the tax imposed by RCW  
21 82.12.020 to the department. The person may then apply to the  
22 department for remittance of all or part of the tax paid under RCW  
23 82.12.020. For grain elevators with bushel capacity of one million  
24 but less than two million, the remittance is equal to fifty percent  
25 of the amount of tax paid. For warehouses with square footage of two  
26 hundred thousand or more and for grain elevators with bushel capacity  
27 of two million or more, the remittance is equal to one hundred  
28 percent of the amount of tax paid for qualifying construction  
29 materials, and fifty percent of the amount of tax paid for qualifying  
30 material-handling equipment and racking equipment.

31 (b) The department shall determine eligibility under this section  
32 based on information provided by the buyer and through audit and  
33 other administrative records. The buyer shall on a quarterly basis  
34 submit an information sheet, in a form and manner as required by the  
35 department by rule, specifying the amount of exempted tax claimed and  
36 the qualifying purchases or acquisitions for which the exemption is  
37 claimed. The buyer shall retain, in adequate detail to enable the  
38 department to determine whether the equipment or construction meets  
39 the criteria under this section: Invoices; proof of tax paid;  
40 documents describing the material-handling equipment and racking

1 equipment; location and size of warehouses, if applicable; and  
2 construction invoices and documents.

3 (c) The department shall on a quarterly basis remit or credit  
4 exempted amounts to qualifying persons who submitted applications  
5 during the previous quarter.

6 (~~(3)~~) (4) Warehouse, grain elevators, and material-handling  
7 equipment and racking equipment for which an exemption, credit, or  
8 deferral has been or is being received under chapter 82.60, 82.62, or  
9 82.63 RCW or RCW 82.08.02565 or 82.12.02565 are not eligible for any  
10 remittance under this section. Materials incorporated in warehouses  
11 and grain elevators upon which construction was initiated prior to  
12 May 20, 1997, are not eligible for a remittance under this section.

13 (~~(4)~~) (5) The lessor or owner of the warehouse or grain  
14 elevator is not eligible for a remittance or credit under this  
15 section unless the underlying ownership of the warehouse or grain  
16 elevator and material-handling equipment and racking equipment vests  
17 exclusively in the same person, or unless the lessor by written  
18 contract agrees to pass the economic benefit of the exemption to the  
19 lessee in the form of reduced rent payments.

20 (~~(5)~~) (6) The definitions in RCW 82.08.820 apply to this  
21 section.

22 **Sec. 10.** RCW 82.12.9997 and 2015 c 207 s 5 are each amended to  
23 read as follows:

24 The taxes imposed by this chapter do not apply to the use of  
25 marijuana, useable marijuana, marijuana concentrates, and marijuana-  
26 infused products covered by an agreement entered into under RCW  
27 43.06.490. "Marijuana," "useable marijuana," "marijuana  
28 concentrates," and "marijuana-infused products" have the same meaning  
29 as defined in RCW 69.50.101. The provisions of RCW 82.32.805 and  
30 82.32.808 do not apply to this section.

31 **Sec. 11.** RCW 82.32.330 and 2021 c 145 s 18 are each amended to  
32 read as follows:

33 (1) For purposes of this section:

34 (a) "Disclose" means to make known to any person in any manner  
35 whatever a return or tax information;

36 (b) "Return" means a tax or information return or claim for  
37 refund required by, or provided for or permitted under, the laws of  
38 this state which is filed with the department of revenue by, on

1 behalf of, or with respect to a person, and any amendment or  
2 supplement thereto, including supporting schedules, attachments, or  
3 lists that are supplemental to, or part of, the return so filed;

4 (c) "Tax information" means (i) a taxpayer's identity, (ii) the  
5 nature, source, or amount of the taxpayer's income, payments,  
6 receipts, deductions, exemptions, credits, assets, liabilities, net  
7 worth, tax liability deficiencies, overassessments, or tax payments,  
8 whether taken from the taxpayer's books and records or any other  
9 source, (iii) whether the taxpayer's return was, is being, or will be  
10 examined or subject to other investigation or processing, (iv) a part  
11 of a written determination that is not designated as a precedent and  
12 disclosed pursuant to RCW 82.32.410, or a background file document  
13 relating to a written determination, and (v) other data received by,  
14 recorded by, prepared by, furnished to, or collected by the  
15 department of revenue with respect to the determination of the  
16 existence, or possible existence, of liability, or the amount  
17 thereof, of a person under the laws of this state for a tax, penalty,  
18 interest, fine, forfeiture, or other imposition, or offense. However,  
19 data, material, or documents that do not disclose information related  
20 to a specific or identifiable taxpayer do not constitute tax  
21 information under this section. Except as provided by RCW 82.32.410,  
22 nothing in this chapter requires any person possessing data,  
23 material, or documents made confidential and privileged by this  
24 section to delete information from such data, material, or documents  
25 so as to permit its disclosure;

26 (d) "State agency" means every Washington state office,  
27 department, division, bureau, board, commission, or other state  
28 agency;

29 (e) "Taxpayer identity" means the taxpayer's name, address,  
30 telephone number, registration number, or any combination thereof, or  
31 any other information disclosing the identity of the taxpayer; and

32 (f) "Department" means the department of revenue or its officer,  
33 agent, employee, or representative.

34 (2) Returns and tax information are confidential and privileged,  
35 and except as authorized by this section, neither the department of  
36 revenue nor any other person may disclose any return or tax  
37 information.

38 (3) This section does not prohibit the department of revenue  
39 from:

1 (a) Disclosing such return or tax information in a civil or  
2 criminal judicial proceeding or an administrative proceeding:

3 (i) In respect of any tax imposed under the laws of this state if  
4 the taxpayer or its officer or other person liable under this title  
5 or chapter 83.100 RCW is a party in the proceeding;

6 (ii) In which the taxpayer about whom such return or tax  
7 information is sought and another state agency are adverse parties in  
8 the proceeding; or

9 (iii) Brought by the department under RCW 18.27.040 or 19.28.071;

10 (b) Disclosing, subject to such requirements and conditions as  
11 the director prescribes by rules adopted pursuant to chapter 34.05  
12 RCW, such return or tax information regarding a taxpayer to such  
13 taxpayer or to such person or persons as that taxpayer may designate  
14 in a request for, or consent to, such disclosure, or to any other  
15 person, at the taxpayer's request, to the extent necessary to comply  
16 with a request for information or assistance made by the taxpayer to  
17 such other person. However, tax information not received from the  
18 taxpayer must not be so disclosed if the director determines that  
19 such disclosure would compromise any investigation or litigation by  
20 any federal, state, or local government agency in connection with the  
21 civil or criminal liability of the taxpayer or another person, or  
22 that such disclosure would identify a confidential informant, or that  
23 such disclosure is contrary to any agreement entered into by the  
24 department that provides for the reciprocal exchange of information  
25 with other government agencies which agreement requires  
26 confidentiality with respect to such information unless such  
27 information is required to be disclosed to the taxpayer by the order  
28 of any court;

29 (c) Disclosing the name of a taxpayer against whom a warrant  
30 under RCW 82.32.210 has been either issued or filed and remains  
31 outstanding for a period of at least ten working days. The department  
32 is not required to disclose any information under this subsection if  
33 a taxpayer has entered a deferred payment arrangement with the  
34 department for the payment of a warrant that has not been filed and  
35 is making payments upon such deficiency that will fully satisfy the  
36 indebtedness within twelve months;

37 (d) Publishing statistics so classified as to prevent the  
38 identification of particular returns or reports or items thereof;

39 (e) Disclosing such return or tax information, for official  
40 purposes only, to the governor or attorney general, or to any state

1 agency, or to any committee or subcommittee of the legislature  
2 dealing with matters of taxation, revenue, trade, commerce, the  
3 control of industry or the professions;

4 (f) Permitting the department of revenue's records to be audited  
5 and examined by the proper state officer, his or her agents and  
6 employees;

7 (g) Disclosing any such return or tax information to a peace  
8 officer as defined in RCW 9A.04.110 or county prosecuting attorney,  
9 for official purposes. The disclosure may be made only in response to  
10 a search warrant, subpoena, or other court order, unless the  
11 disclosure is for the purpose of criminal tax enforcement. A peace  
12 officer or county prosecuting attorney who receives the return or tax  
13 information may disclose that return or tax information only for use  
14 in the investigation and a related court proceeding, or in the court  
15 proceeding for which the return or tax information originally was  
16 sought;

17 (h) Disclosing any such return or tax information to the proper  
18 officer of the internal revenue service of the United States, the  
19 Canadian government or provincial governments of Canada, or to the  
20 proper officer of the tax department of any state or city or town or  
21 county, for official purposes, but only if the statutes of the United  
22 States, Canada or its provincial governments, or of such other state  
23 or city or town or county, as the case may be, grants substantially  
24 similar privileges to the proper officers of this state;

25 (i) Disclosing any such return or tax information to the United  
26 States department of justice, including the bureau of alcohol,  
27 tobacco, firearms and explosives, the department of defense, the  
28 immigration and customs enforcement and the customs and border  
29 protection agencies of the United States department of homeland  
30 security, the United States coast guard, the alcohol and tobacco tax  
31 and trade bureau of the United States department of treasury, and the  
32 United States department of transportation, or any authorized  
33 representative of these federal agencies, for official purposes;

34 (j) Publishing or otherwise disclosing the text of a written  
35 determination designated by the director as a precedent pursuant to  
36 RCW 82.32.410;

37 (k) Disclosing, in a manner that is not associated with other tax  
38 information, the taxpayer name, entity type, business address,  
39 mailing address, revenue tax registration numbers, reseller permit  
40 numbers and the expiration date and status of such permits, North

1 American industry classification system or standard industrial  
2 classification code of a taxpayer, and the dates of opening and  
3 closing of business. This subsection may not be construed as giving  
4 authority to the department to give, sell, or provide access to any  
5 list of taxpayers for any commercial purpose;

6 (l) Disclosing such return or tax information that is also  
7 maintained by another Washington state or local governmental agency  
8 as a public record available for inspection and copying under the  
9 provisions of chapter 42.56 RCW or is maintained by a court of record  
10 and is not otherwise prohibited from disclosure;

11 (m) Disclosing such return or tax information to the United  
12 States department of agriculture for the limited purpose of  
13 investigating food stamp fraud by retailers;

14 (n) Disclosing to a financial institution, escrow company, or  
15 title company, in connection with specific real property that is the  
16 subject of a real estate transaction, current amounts due the  
17 department for a filed tax warrant, judgment, or lien against the  
18 real property;

19 (o) Disclosing to a person against whom the department has  
20 asserted liability as a successor under RCW 82.32.140 return or tax  
21 information pertaining to the specific business of the taxpayer to  
22 which the person has succeeded;

23 (p) Disclosing real estate excise tax affidavit forms filed under  
24 RCW 82.45.150 in the possession of the department, including real  
25 estate excise tax affidavit forms for transactions exempt or  
26 otherwise not subject to tax;

27 (q) Disclosing to local taxing jurisdictions the identity of  
28 sellers granted relief under RCW 82.32.430(5)(b)(i) and the period  
29 for which relief is granted;

30 (r) Disclosing such return or tax information to the court in  
31 respect to the department's application for a subpoena under RCW  
32 82.32.117;

33 (s) Disclosing to a person against whom the department has  
34 asserted liability under RCW 83.100.120 return or tax information  
35 pertaining to that person's liability for tax under chapter 83.100  
36 RCW;

37 (t) Disclosing such return or tax information to the streamlined  
38 sales tax governing board, member states of the streamlined sales tax  
39 governing board, or authorized representatives of such board or  
40 states, for the limited purposes of:

1 (i) Conducting on behalf of member states sales and use tax  
2 audits of taxpayers; or

3 (ii) Auditing certified service providers or certified automated  
4 systems providers;

5 (u) Disclosing any such return or tax information when the  
6 disclosure is specifically authorized under any other section of the  
7 Revised Code of Washington;

8 (v) Disclosing to an individual to whom the department has issued  
9 an assessment under RCW 82.32.145 for unpaid trust fund taxes of a  
10 defunct or insolvent entity, return or tax information of that entity  
11 pertaining to those unpaid trust fund taxes; (~~or~~)

12 (w) Disclosing any such return or tax information pursuant to a  
13 federal grand jury subpoena or subpoena issued by a United States  
14 attorney, only to be used in the criminal investigation and related  
15 court proceedings, or in the court proceeding for which the return or  
16 tax information originally was sought; or

17 (x) Disclosing any return or tax information to an individual  
18 when the return or tax information is related directly to that  
19 person's individual liability, as part of a marital community, for  
20 amounts due under a warrant issued under the authority of RCW  
21 59.30.090 or 82.32.210.

22 (4) (a) The department may disclose return or taxpayer information  
23 to a person under investigation or during any court or administrative  
24 proceeding against a person under investigation as provided in this  
25 subsection (4). The disclosure must be in connection with the  
26 department's official duties relating to an audit, collection  
27 activity, or a civil or criminal investigation. The disclosure may  
28 occur only when the person under investigation and the person in  
29 possession of data, materials, or documents are parties to the return  
30 or tax information to be disclosed. The department may disclose  
31 return or tax information such as invoices, contracts, bills,  
32 statements, resale or exemption certificates, or checks. However, the  
33 department may not disclose general ledgers, sales or cash receipt  
34 journals, check registers, accounts receivable/payable ledgers,  
35 general journals, financial statements, expert's workpapers, income  
36 tax returns, state tax returns, tax return workpapers, or other  
37 similar data, materials, or documents.

38 (b) Before disclosure of any tax return or tax information under  
39 this subsection (4), the department must, through written  
40 correspondence, inform the person in possession of the data,



1 materials, or documents to be disclosed. The correspondence must  
2 clearly identify the data, materials, or documents to be disclosed.  
3 The department may not disclose any tax return or tax information  
4 under this subsection (4) until the time period allowed in (c) of  
5 this subsection has expired or until the court has ruled on any  
6 challenge brought under (c) of this subsection.

7 (c) The person in possession of the data, materials, or documents  
8 to be disclosed by the department has twenty days from the receipt of  
9 the written request required under (b) of this subsection to petition  
10 the superior court of the county in which the petitioner resides for  
11 injunctive relief. The court must limit or deny the request of the  
12 department if the court determines that:

13 (i) The data, materials, or documents sought for disclosure are  
14 cumulative or duplicative, or are obtainable from some other source  
15 that is more convenient, less burdensome, or less expensive;

16 (ii) The production of the data, materials, or documents sought  
17 would be unduly burdensome or expensive, taking into account the  
18 needs of the department, the amount in controversy, limitations on  
19 the petitioner's resources, and the importance of the issues at  
20 stake; or

21 (iii) The data, materials, or documents sought for disclosure  
22 contain trade secret information that, if disclosed, could harm the  
23 petitioner.

24 (d) The department must reimburse reasonable expenses for the  
25 production of data, materials, or documents incurred by the person in  
26 possession of the data, materials, or documents to be disclosed.

27 (e) Requesting information under (b) of this subsection that may  
28 indicate that a taxpayer is under investigation does not constitute a  
29 disclosure of tax return or tax information under this section.

30 (5) Service of a subpoena issued under RCW 82.32.117 does not  
31 constitute a disclosure of return or tax information under this  
32 section. Notwithstanding anything else to the contrary in this  
33 section, a person served with a subpoena under RCW 82.32.117 may  
34 disclose the existence or content of the subpoena to that person's  
35 legal counsel.

36 (6) Any person acquiring knowledge of any return or tax  
37 information in the course of his or her employment with the  
38 department of revenue and any person acquiring knowledge of any  
39 return or tax information as provided under subsection (3) (e), (f),  
40 (g), (h), (i), (m), (v), and (w) of this section, who discloses any

1 such return or tax information to another person not entitled to  
2 knowledge of such return or tax information under the provisions of  
3 this section, is guilty of a misdemeanor. If the person guilty of  
4 such violation is an officer or employee of the state, such person  
5 must forfeit such office or employment and is incapable of holding  
6 any public office or employment in this state for a period of two  
7 years thereafter.

8 **Sec. 12.** RCW 82.32.534 and 2021 c 145 s 19 are each amended to  
9 read as follows:

10 (1) (a) (i) Beginning in calendar year 2018, every person claiming  
11 a tax preference that requires an annual tax performance report under  
12 this section must file a complete annual report with the department.  
13 The report is due by May 31st of the year following any calendar year  
14 in which a person becomes eligible to claim the tax preference that  
15 requires a report under this section.

16 (ii) If the tax preference is a deferral of tax, the first annual  
17 tax performance report must be filed by May 31st of the calendar year  
18 following the calendar year in which the investment project is  
19 certified by the department as operationally complete(~~(, and an)~~). An  
20 annual tax performance report must also be filed by May 31st of each  
21 (~~(of the seven)~~) succeeding calendar year(~~(s)~~) through the calendar  
22 year in which the deferred taxes are fully repaid or are immediately  
23 due and payable because the recipient of the deferral is no longer  
24 eligible for the deferral.

25 (iii) The department may extend the due date for timely filing of  
26 annual reports under this section as provided in RCW 82.32.590.

27 (b) The report must include information detailing employment and  
28 wages for employment positions in Washington for the year that the  
29 tax preference was claimed. However, persons engaged in manufacturing  
30 commercial airplanes or components of such airplanes may report  
31 employment and wage information per job at the manufacturing site for  
32 the year that the tax preference was claimed. The report must not  
33 include names of employees. The report must also detail employment by  
34 the total number of full-time, part-time, and temporary positions for  
35 the year that the tax preference was claimed. In lieu of reporting  
36 employment and wage data required under this subsection, taxpayers  
37 may instead opt to allow the employment security department to  
38 release the same employment and wage information from unemployment  
39 insurance records to the department and the joint legislative audit

1 and review committee. This option is intended to reduce the reporting  
2 burden for taxpayers, and each taxpayer electing to use this option  
3 must affirm that election in accordance with procedures approved by  
4 the employment security department.

5 (c) Persons receiving the benefit of the tax preference provided  
6 by RCW 82.16.0421 or claiming any of the tax preferences provided by  
7 RCW 82.04.2909, 82.04.4481, 82.08.805, 82.12.805, or 82.12.022(5)  
8 must indicate on the annual report the quantity of product produced  
9 in this state during the time period covered by the report.

10 (d) If a person filing a report under this section did not file a  
11 report with the department in the previous calendar year, the report  
12 filed under this section must also include employment and wage  
13 information for the calendar year immediately preceding the calendar  
14 year for which a tax preference was claimed.

15 (2)(a) As part of the annual report, the department and the joint  
16 legislative audit and review committee may request additional  
17 information necessary to measure the results of, or determine  
18 eligibility for, the tax preference.

19 (b) The report must include the amount of the tax preference  
20 claimed for the calendar year covered by the report. For a person  
21 that claimed an exemption provided in RCW 82.08.025651 or  
22 82.12.025651, the report must include the amount of tax exempted  
23 under those sections in the prior calendar year for each general area  
24 or category of research and development for which exempt machinery  
25 and equipment and labor and services were acquired in the prior  
26 calendar year.

27 (3) Other than information requested under subsection (2)(a) of  
28 this section, the information contained in an annual report filed  
29 under this section is not subject to the confidentiality provisions  
30 of RCW 82.32.330 and may be disclosed to the public upon request.

31 (4)(a) Except as otherwise provided by law, if a person claims a  
32 tax preference that requires an annual report under this section but  
33 fails to submit a complete report by the due date or any extension  
34 under RCW 82.32.590, the department must declare:

35 (i) Thirty-five percent of the amount of the tax preference  
36 claimed for the previous calendar year to be immediately due and  
37 payable;

38 (ii) An additional fifteen percent of the amount of the tax  
39 preference claimed for the previous calendar year to be immediately  
40 due and payable if the person has previously been assessed under this

1 subsection (4) for failure to submit a report under this section for  
2 the same tax preference; and

3 (iii) If the tax preference is a deferral of tax, the amount  
4 immediately due under this subsection is (~~twelve and one-half~~  
5 ~~percent of~~) the deferred tax divided by the number of years in the  
6 repayment period. If the economic benefits of the deferral are passed  
7 to a lessee, the lessee is responsible for payment to the extent the  
8 lessee has received the economic benefit.

9 (b) The department may not assess interest or penalties on  
10 amounts due under this subsection.

11 (5) The department must use the information from this section to  
12 prepare summary descriptive statistics by category. No fewer than  
13 three taxpayers may be included in any category. The department must  
14 report these statistics to the legislature each year by December  
15 31st.

16 (6) For the purposes of this section:

17 (a) "Person" has the meaning provided in RCW 82.04.030 and also  
18 includes the state and its departments and institutions.

19 (b) "Tax preference" has the meaning provided in RCW 43.136.021  
20 and includes only the tax preferences requiring a report under this  
21 section.

22 **Sec. 13.** RCW 82.32.790 and 2019 c 449 s 2 are each amended to  
23 read as follows:

24 (1) (a) (~~Section 2, chapter 449, Laws of 2019, sections~~)  
25 Sections 510, 512, 514, 516, 518, 520, 522, and 524, chapter 37, Laws  
26 of 2017 3rd sp. sess., sections 9, 13, 17, 22, 24, 30, 32, and 45,  
27 chapter 135, Laws of 2017, sections 104, 110, 117, 123, 125, 129,  
28 131, and 150, chapter 114, Laws of 2010, and sections 1, 2, 3, and 5  
29 through 10, chapter 149, Laws of 2003 are contingent upon the siting  
30 and commercial operation of a significant semiconductor microchip  
31 fabrication facility in the state of Washington by January 1, 2024.

32 (b) For the purposes of this section:

33 (i) "Commercial operation" means the same as "commencement of  
34 commercial production" as used in RCW 82.08.965.

35 (ii) "Semiconductor microchip fabrication" means "manufacturing  
36 semiconductor microchips" as defined in RCW 82.04.426.

37 (iii) "Significant" means the combined investment of new  
38 buildings and new machinery and equipment in the buildings, at the

1 commencement of commercial production, will be at least one billion  
2 dollars.

3 (2) The sections referenced in subsection (1) of this section  
4 take effect the first day of the month in which a contract for the  
5 construction of a significant semiconductor fabrication facility is  
6 signed, if the contract is signed and received by January 1, 2024, as  
7 determined by the director of the department of revenue.

8 (3)(a) The department of revenue must provide notice of the  
9 effective date of the sections referenced in subsection (1) of this  
10 section to affected taxpayers, the legislature, and others as deemed  
11 appropriate by the department.

12 (b) If, after making a determination that a contract has been  
13 signed and the sections referenced in subsection (1) of this section  
14 are effective, the department discovers that commencement of  
15 commercial production did not take place within three years of the  
16 date the contract was signed, the department must make a  
17 determination that chapter 149, Laws of 2003 is no longer effective,  
18 and all taxes that would have been otherwise due are deemed deferred  
19 taxes and are immediately assessed and payable from any person  
20 reporting tax under RCW 82.04.240(2) or claiming an exemption or  
21 credit under RCW 82.04.426, 82.04.448, 82.08.965, 82.12.965,  
22 82.08.970, 82.12.970, or 84.36.645. The department is not authorized  
23 to make a second determination regarding the effective date of the  
24 sections referenced in subsection (1) of this section.

25 (4)(a) This section expires January 1, 2024, if the contingency  
26 in subsection (2) of this section does not occur by January 1, 2024,  
27 as determined by the department.

28 (b) The department must provide written notice of the expiration  
29 date of this section and the sections referenced in subsection (1) of  
30 this section to affected taxpayers, the legislature, and others as  
31 deemed appropriate by the department.

32 **Sec. 14.** RCW 82.62.030 and 2007 c 485 s 3 are each amended to  
33 read as follows:

34 (1)(a) A person shall be allowed a credit against the tax due  
35 under chapter 82.04 RCW as provided in this section. The credit shall  
36 equal: (i) Four thousand dollars for each qualified employment  
37 position with wages and benefits greater than forty thousand dollars  
38 annually that is directly created in an eligible business project and  
39 (ii) two thousand dollars for each qualified employment position with

1 wages and benefits less than or equal to forty thousand dollars  
2 annually that is directly created in an eligible business project.

3 (b) For purposes of calculating the amount of credit under (a) of  
4 this subsection with respect to qualified employment positions as  
5 defined in RCW 82.62.010(8) (a) (ii):

6 (i) In determining the number of qualified employment positions,  
7 a fractional amount is rounded down to the nearest whole number; and

8 (ii) Wages and benefits for each qualified employment position  
9 shall be equal to the quotient derived by dividing: (A) The sum of  
10 the wages and benefits earned for the four consecutive full calendar  
11 quarter period for which a credit under this chapter is earned by all  
12 of the person's new seasonal employees hired during that period; by  
13 (B) the number of qualified employment positions plus any fractional  
14 amount subject to rounding as provided under (b)(i) of this  
15 subsection. For purposes of this chapter, a credit is earned for the  
16 four consecutive full calendar quarters after the calendar quarter  
17 during which the first qualified employment position is filled.

18 (2) The department shall keep a running total of all credits  
19 allowed under this chapter during each fiscal year. The department  
20 shall not allow any credits which would cause the total to exceed  
21 seven million five hundred thousand dollars in any fiscal year. If  
22 all or part of an application for credit is disallowed under this  
23 subsection, the disallowed portion shall be carried over to the next  
24 fiscal year. However, the carryover into the next fiscal year is only  
25 permitted to the extent that the cap for the next fiscal year is not  
26 exceeded.

27 (3) No recipient may use the tax credits to decertify a union or  
28 to displace existing jobs in any community in the state.

29 (4) (a) The credit may be used against any tax due under chapter  
30 82.04 RCW, and, except as otherwise provided under this subsection  
31 (4), may be carried over until used.

32 (b) Credits earned expire the first day of January of the year  
33 that is six years from the later of the year that:

34 (i) The department is notified by the recipient, or a  
35 representative of the recipient, that the recipient has ceased  
36 engaging in business within this state as those terms are defined in  
37 chapter 82.04 RCW;

38 (ii) The department closes the recipient's tax reporting account;  
39 or

1        (iii) The recipient last claimed the credit on a return filed  
2 with the department.

3        (5) No refunds may be granted for unused credits under this  
4 section.

5        **Sec. 15.** RCW 84.52.065 and 2019 c 411 s 1 are each amended to  
6 read as follows:

7        (1) Except as otherwise provided in this section, subject to the  
8 limitations in RCW 84.55.010, in each year the state must levy for  
9 collection in the following year for the support of common schools of  
10 the state a tax of three dollars and sixty cents per thousand dollars  
11 of assessed value upon the assessed valuation of all taxable property  
12 within the state adjusted to the state equalized value in accordance  
13 with the indicated ratio fixed by the state department of revenue.

14        (2)(a) In addition to the tax authorized under subsection (1) of  
15 this section, the state must levy an additional property tax for the  
16 support of common schools of the state.

17        (i) For taxes levied for collection in calendar years 2018  
18 through 2021, the rate of tax is the rate necessary to bring the  
19 aggregate rate for state property tax levies levied under this  
20 subsection and subsection (1) of this section to a combined rate of  
21 two dollars and forty cents per thousand dollars of assessed value in  
22 calendar year 2019 and two dollars and seventy cents per thousand  
23 dollars of assessed value in calendar years 2018, 2020, and 2021. The  
24 state property tax levy rates provided in this subsection (2)(a)(i)  
25 are based upon the assessed valuation of all taxable property within  
26 the state adjusted to the state equalized value in accordance with  
27 the indicated ratio fixed by the state department of revenue.

28        (ii) For taxes levied for collection in calendar year 2022 and  
29 thereafter, the tax authorized under this subsection (2) is subject  
30 to the limitations of chapter 84.55 RCW.

31        (b)(i) Except as otherwise provided in this subsection, all taxes  
32 collected under this subsection (2) must be deposited into the state  
33 general fund.

34        (ii) For fiscal year 2019, taxes collected under this subsection  
35 (2) must be deposited into the education legacy trust account for the  
36 support of common schools.

37        (3) For taxes levied for collection in calendar years 2019  
38 through 2021, the state property taxes levied under subsections (1)

1 and (2) of this section are not subject to the limitations in chapter  
2 84.55 RCW.

3 (4) (a) For taxes levied for collection in calendar year 2022 and  
4 thereafter, the aggregate rate limit for state property taxes levied  
5 under subsections (1) and (2) of this section is three dollars and  
6 sixty cents per thousand dollars of assessed value upon the assessed  
7 valuation of all taxable property within the state adjusted to the  
8 state equalized value in accordance with the indicated ratio fixed by  
9 the state department of revenue.

10 (b) If the aggregate rate of state property taxes levied under  
11 subsections (1) and (2) of this section for collection in any  
12 calendar year after 2021 exceeds \$3.60 per \$1,000 of assessed value,  
13 each rate must be reduced on a pro rata basis until the aggregate  
14 rate no longer exceeds \$3.60 per \$1,000 of assessed value.

15 (5) For property taxes levied for collection in calendar years  
16 2019 through 2021, the rate of tax levied under subsection (1) of  
17 this section is the actual rate that was levied for collection in  
18 calendar year 2018 under subsection (1) of this section.

19 (6) As used in this section, "the support of common schools"  
20 includes the payment of the principal and interest on bonds issued  
21 for capital construction projects for the common schools.

22 NEW SECTION. **Sec. 16.** Section 4 of this act applies  
23 retroactively to January 1, 2020.

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