
SENATE BILL 5957

State of Washington

67th Legislature

2022 Regular Session

By Senators Mullet, L. Wilson, Lovick, and Short

Read first time 01/28/22. Referred to Committee on Ways & Means.

1 AN ACT Relating to reducing the business and occupation tax rate
2 on manufacturing activities; amending RCW 82.04.240, 82.04.260,
3 82.04.2909, 82.04.280, and 82.32.790; repealing 2017 3rd sp.s. c 37 s
4 518, 2017 c 135 s 9, 2010 c 114 s 104, and 2003 c 149 s 3; and
5 providing an effective date.

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

7 **Sec. 1.** RCW 82.04.240 and 2004 c 24 s 4 are each amended to read
8 as follows:

9 Upon every person engaging within this state in business as a
10 manufacturer or processor for hire, except persons taxable as
11 manufacturers or processors for hire under other provisions of this
12 chapter; as to such persons the amount of the tax with respect to
13 such business shall be equal to the value of the products, including
14 by-products, manufactured or processed, multiplied by the rate of
15 ((0.484)) 0.275 percent.

16 The measure of the tax is the value of the products, including
17 by-products, so manufactured regardless of the place of sale or the
18 fact that deliveries may be made to points outside the state.

19 **Sec. 2.** RCW 82.04.260 and 2021 c 145 s 7 are each amended to
20 read as follows:

1 (1) Upon every person engaging within this state in the business
2 of manufacturing:

3 (a) Wheat into flour, barley into pearl barley, soybeans into
4 soybean oil, canola into canola oil, canola meal, or canola by-
5 products, or sunflower seeds into sunflower oil; as to such persons
6 the amount of tax with respect to such business is equal to the value
7 of the flour, pearl barley, oil, canola meal, or canola by-product
8 manufactured, multiplied by the rate of 0.138 percent;

9 (b) Beginning July 1, 2025, seafood products that remain in a
10 raw, raw frozen, or raw salted state at the completion of the
11 manufacturing by that person; or selling manufactured seafood
12 products that remain in a raw, raw frozen, or raw salted state at the
13 completion of the manufacturing, to purchasers who transport in the
14 ordinary course of business the goods out of this state; as to such
15 persons the amount of tax with respect to such business is equal to
16 the value of the products manufactured or the gross proceeds derived
17 from such sales, multiplied by the rate of 0.138 percent. Sellers
18 must keep and preserve records for the period required by RCW
19 82.32.070 establishing that the goods were transported by the
20 purchaser in the ordinary course of business out of this state;

21 (c) (i) Except as provided otherwise in (c) (iii) of this
22 subsection, from July 1, 2025, until January 1, 2036, dairy products;
23 or selling dairy products that the person has manufactured to
24 purchasers who either transport in the ordinary course of business
25 the goods out of state or purchasers who use such dairy products as
26 an ingredient or component in the manufacturing of a dairy product;
27 as to such persons the tax imposed is equal to the value of the
28 products manufactured or the gross proceeds derived from such sales
29 multiplied by the rate of 0.138 percent. Sellers must keep and
30 preserve records for the period required by RCW 82.32.070
31 establishing that the goods were transported by the purchaser in the
32 ordinary course of business out of this state or sold to a
33 manufacturer for use as an ingredient or component in the
34 manufacturing of a dairy product.

35 (ii) For the purposes of this subsection (1) (c), "dairy products"
36 means:

37 (A) Products, not including any marijuana-infused product, that
38 as of September 20, 2001, are identified in 21 C.F.R., chapter 1,
39 parts 131, 133, and 135, including by-products from the manufacturing
40 of the dairy products, such as whey and casein; and

1 (B) Products comprised of not less than (~~seventy~~) 70 percent
2 dairy products that qualify under (c)(ii)(A) of this subsection,
3 measured by weight or volume.

4 (iii) The preferential tax rate provided to taxpayers under this
5 subsection (1)(c) does not apply to sales of dairy products on or
6 after July 1, 2023, where a dairy product is used by the purchaser as
7 an ingredient or component in the manufacturing in Washington of a
8 dairy product;

9 (d)(i) Beginning July 1, 2025, fruits or vegetables by canning,
10 preserving, freezing, processing, or dehydrating fresh fruits or
11 vegetables, or selling at wholesale fruits or vegetables manufactured
12 by the seller by canning, preserving, freezing, processing, or
13 dehydrating fresh fruits or vegetables and sold to purchasers who
14 transport in the ordinary course of business the goods out of this
15 state; as to such persons the amount of tax with respect to such
16 business is equal to the value of the products manufactured or the
17 gross proceeds derived from such sales multiplied by the rate of
18 0.138 percent. Sellers must keep and preserve records for the period
19 required by RCW 82.32.070 establishing that the goods were
20 transported by the purchaser in the ordinary course of business out
21 of this state.

22 (ii) For purposes of this subsection (1)(d), "fruits" and
23 "vegetables" do not include marijuana, useable marijuana, or
24 marijuana-infused products; and

25 (e) Wood biomass fuel; as to such persons the amount of tax with
26 respect to the business is equal to the value of wood biomass fuel
27 manufactured, multiplied by the rate of 0.138 percent. For the
28 purposes of this section, "wood biomass fuel" means a liquid or
29 gaseous fuel that is produced from lignocellulosic feedstocks,
30 including wood, forest, or field residue and dedicated energy crops,
31 and that does not include wood treated with chemical preservations
32 such as creosote, pentachlorophenol, or copper-chrome-arsenic.

33 (2) Upon every person engaging within this state in the business
34 of splitting or processing dried peas; as to such persons the amount
35 of tax with respect to such business is equal to the value of the
36 peas split or processed, multiplied by the rate of 0.138 percent.

37 (3) Upon every nonprofit corporation and nonprofit association
38 engaging within this state in research and development, as to such
39 corporations and associations, the amount of tax with respect to such

1 activities is equal to the gross income derived from such activities
2 multiplied by the rate of 0.484 percent.

3 (4) Upon every person engaging within this state in the business
4 of slaughtering, breaking and/or processing perishable meat products
5 and/or selling the same at wholesale only and not at retail; as to
6 such persons the tax imposed is equal to the gross proceeds derived
7 from such sales multiplied by the rate of 0.138 percent.

8 (5) (a) Upon every person engaging within this state in the
9 business of acting as a travel agent or tour operator and whose
10 annual taxable amount for the prior calendar year from such business
11 was (~~two hundred fifty thousand dollars~~) \$250,000 or less; as to
12 such persons the amount of the tax with respect to such activities is
13 equal to the gross income derived from such activities multiplied by
14 the rate of 0.275 percent.

15 (b) Upon every person engaging within this state in the business
16 of acting as a travel agent or tour operator and whose annual taxable
17 amount for the prior calendar year from such business was more than
18 (~~two hundred fifty thousand dollars~~) \$250,000; as to such persons
19 the amount of the tax with respect to such activities is equal to the
20 gross income derived from such activities multiplied by the rate of
21 0.275 percent through June 30, 2019, and 0.9 percent beginning July
22 1, 2019.

23 (6) Upon every person engaging within this state in business as
24 an international steamship agent, international customs house broker,
25 international freight forwarder, vessel and/or cargo charter broker
26 in foreign commerce, and/or international air cargo agent; as to such
27 persons the amount of the tax with respect to only international
28 activities is equal to the gross income derived from such activities
29 multiplied by the rate of 0.275 percent.

30 (7) Upon every person engaging within this state in the business
31 of stevedoring and associated activities pertinent to the movement of
32 goods and commodities in waterborne interstate or foreign commerce;
33 as to such persons the amount of tax with respect to such business is
34 equal to the gross proceeds derived from such activities multiplied
35 by the rate of 0.275 percent. Persons subject to taxation under this
36 subsection are exempt from payment of taxes imposed by chapter 82.16
37 RCW for that portion of their business subject to taxation under this
38 subsection. Stevedoring and associated activities pertinent to the
39 conduct of goods and commodities in waterborne interstate or foreign
40 commerce are defined as all activities of a labor, service or

1 transportation nature whereby cargo may be loaded or unloaded to or
2 from vessels or barges, passing over, onto or under a wharf, pier, or
3 similar structure; cargo may be moved to a warehouse or similar
4 holding or storage yard or area to await further movement in import
5 or export or may move to a consolidation freight station and be
6 stuffed, unstuffed, containerized, separated or otherwise segregated
7 or aggregated for delivery or loaded on any mode of transportation
8 for delivery to its consignee. Specific activities included in this
9 definition are: Wharfage, handling, loading, unloading, moving of
10 cargo to a convenient place of delivery to the consignee or a
11 convenient place for further movement to export mode; documentation
12 services in connection with the receipt, delivery, checking, care,
13 custody and control of cargo required in the transfer of cargo;
14 imported automobile handling prior to delivery to consignee; terminal
15 stevedoring and incidental vessel services, including but not limited
16 to plugging and unplugging refrigerator service to containers,
17 trailers, and other refrigerated cargo receptacles, and securing ship
18 hatch covers.

19 (8) (a) Upon every person engaging within this state in the
20 business of disposing of low-level waste, as defined in RCW
21 70A.380.010; as to such persons the amount of the tax with respect to
22 such business is equal to the gross income of the business, excluding
23 any fees imposed under chapter 70A.384 RCW, multiplied by the rate of
24 3.3 percent.

25 (b) If the gross income of the taxpayer is attributable to
26 activities both within and without this state, the gross income
27 attributable to this state must be determined in accordance with the
28 methods of apportionment required under RCW 82.04.460.

29 (9) Upon every person engaging within this state as an insurance
30 producer or title insurance agent licensed under chapter 48.17 RCW or
31 a surplus line broker licensed under chapter 48.15 RCW; as to such
32 persons, the amount of the tax with respect to such licensed
33 activities is equal to the gross income of such business multiplied
34 by the rate of 0.484 percent.

35 (10) Upon every person engaging within this state in business as
36 a hospital, as defined in chapter 70.41 RCW, that is operated as a
37 nonprofit corporation or by the state or any of its political
38 subdivisions, as to such persons, the amount of tax with respect to
39 such activities is equal to the gross income of the business

1 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
2 percent thereafter.

3 (11)(a) Beginning October 1, 2005, upon every person engaging
4 within this state in the business of manufacturing commercial
5 airplanes, or components of such airplanes, or making sales, at
6 retail or wholesale, of commercial airplanes or components of such
7 airplanes, manufactured by the seller, as to such persons the amount
8 of tax with respect to such business is, in the case of
9 manufacturers, equal to the value of the product manufactured and the
10 gross proceeds of sales of the product manufactured, or in the case
11 of processors for hire, equal to the gross income of the business,
12 multiplied by the rate of:

13 (i) 0.4235 percent from October 1, 2005, through June 30, 2007;

14 (ii) 0.2904 percent beginning July 1, 2007, through March 31,
15 2020; (~~and~~)

16 (iii) Beginning April 1, 2020, 0.484 percent, subject to any
17 reduction required under (e) of this subsection (11). The tax rate in
18 this subsection (11)(a)(iii) applies to (~~all~~) retailing and
19 wholesaling business activities described in this subsection (11)(a);
20 and

21 (iv) Beginning October 1, 2022, 0.275 percent for manufacturing
22 activities described in this subsection (11)(a).

23 (b) Beginning July 1, 2008, upon every person who is not eligible
24 to report under the provisions of (a) of this subsection (11) and is
25 engaging within this state in the business of manufacturing tooling
26 specifically designed for use in manufacturing commercial airplanes
27 or components of such airplanes, or making sales, at retail or
28 wholesale, of such tooling manufactured by the seller, as to such
29 persons the amount of tax with respect to such business is, in the
30 case of manufacturers, equal to the value of the product manufactured
31 and the gross proceeds of sales of the product manufactured, or in
32 the case of processors for hire, be equal to the gross income of the
33 business, multiplied by the rate of:

34 (i) 0.2904 percent through March 31, 2020; and

35 (ii) Beginning April 1, 2020, the following rates, which are
36 subject to any reduction required under (e) of this subsection (11):

37 (A) The generally applicable rate under (~~(RCW 82.04.250(1))~~) this
38 chapter on the business of making retail or wholesale sales of
39 tooling specifically designed for use in manufacturing commercial
40 airplanes or components of such airplanes; and

1 (B) (~~0.484~~) 0.275 percent on all other business activities
2 described in this subsection (11)(b) beginning July 1, 2022.

3 (c) For the purposes of this subsection (11), "commercial
4 airplane" and "component" have the same meanings as provided in RCW
5 82.32.550.

6 (d)(i) In addition to all other requirements under this title, a
7 person reporting (~~under the tax rate~~) a preferential tax rate for
8 retailing or wholesaling activities provided in this subsection (11)
9 must file a complete annual tax performance report with the
10 department under RCW 82.32.534. However, this requirement does not
11 apply to persons reporting under the tax rate in (a)(iii) of this
12 subsection (11), so long as that rate remains 0.484 percent, or under
13 any of the tax rates in (b)(ii)(A) and (B) of this subsection (11),
14 so long as those tax rates remain the rate imposed pursuant to RCW
15 82.04.250(1) and 0.484 percent, respectively.

16 (ii) Nothing in (d)(i) of this subsection (11) may be construed
17 as affecting the obligation of a person reporting under a tax rate
18 provided in this subsection (11) to file a complete annual tax
19 performance report with the department under RCW 82.32.534: (A)
20 Pursuant to another provision of this title as a result of claiming a
21 tax credit or exemption; or (B) pursuant to (d)(i) of this subsection
22 (11) as a result of claiming the tax rates in (a)(ii) or (b)(i) of
23 this subsection (11) for periods ending before April 1, 2020.

24 (e)(i) After March 31, 2021, the tax rates under (a)(iii) and
25 (b)(ii)(A) of this subsection (11) must be reduced to 0.357 percent
26 for retailing and wholesaling activities provided the conditions in
27 RCW 82.04.2602 are met. The effective date of the rates authorized
28 under this subsection (11)(e) must occur on the first day of the next
29 calendar quarter that is at least (~~sixty~~) 60 days after the
30 department receives the last of the two written notices pursuant to
31 RCW 82.04.2602 (3) and (4).

32 (ii) Both a significant commercial airplane manufacturer
33 separately and the rest of the aerospace industry as a whole,
34 receiving the rate of 0.357 percent under this subsection (11)(e) are
35 subject to the aerospace apprenticeship utilization rates required
36 under RCW 49.04.220 by April 1, 2026, or five years after the
37 effective date of the 0.357 percent rate authorized under this
38 subsection (11)(e), whichever is later, as determined by the
39 department of labor and industries.

1 (iii) The provisions of RCW 82.32.805 and 82.32.808 do not apply
2 to this subsection (11)(e).

3 (f)(i) Except as provided in (f)(ii) of this subsection (11),
4 this subsection (11) does not apply on and after July 1, 2040.

5 (ii) With respect to (~~the manufacturing of commercial airplanes~~
6 ~~or~~) making sales, at retail or wholesale, of commercial airplanes,
7 this subsection (11) does not apply on and after July 1st of the year
8 in which the department makes a determination that any final assembly
9 or wing assembly of any version or variant of a commercial airplane
10 that is the basis of a siting of a significant commercial airplane
11 manufacturing program in the state under RCW 82.32.850 has been sited
12 outside the state of Washington. This subsection (11)(f)(ii) only
13 applies to the (~~manufacturing or~~) sale of commercial airplanes that
14 are the basis of a siting of a significant commercial airplane
15 manufacturing program in the state under RCW 82.32.850. This
16 subsection (11)(f)(ii) continues to apply during the time that a
17 person is subject to the tax rate in (a)(iii) of this subsection
18 (11).

19 (g) For the purposes of this subsection, "a significant
20 commercial airplane manufacturer" means a manufacturer of commercial
21 airplanes with at least (~~fifty thousand~~) 50,000 full-time employees
22 in Washington as of January 1, 2021.

23 (12)(a) Until July 1, 2045, upon every person engaging within
24 this state in the business of extracting timber or extracting for
25 hire timber; as to such persons the amount of tax with respect to the
26 business is, in the case of extractors, equal to the value of
27 products, including by-products, extracted, or in the case of
28 extractors for hire, equal to the gross income of the business,
29 multiplied by the rate of 0.4235 percent from July 1, 2006, through
30 June 30, 2007, (~~and~~) 0.2904 percent from July 1, 2007, (~~through~~
31 ~~June 30, 2045~~) until the effective date of this section, and 0.275
32 percent from the effective date of this section and thereafter.

33 (b) Until July 1, 2045, upon every person engaging within this
34 state in the business of manufacturing or processing for hire: (i)
35 Timber into timber products or wood products; (ii) timber products
36 into other timber products or wood products; or (iii) products
37 defined in RCW 19.27.570(1); as to such persons the amount of the tax
38 with respect to the business is, in the case of manufacturers, equal
39 to the value of products, including by-products, manufactured, or in
40 the case of processors for hire, equal to the gross income of the

1 business, multiplied by the rate of 0.4235 percent from July 1, 2006,
2 through June 30, 2007, (~~and~~) 0.2904 percent from July 1, 2007,
3 (~~through June 30, 2045~~) until the effective date of this section,
4 and 0.275 percent from the effective date of this section and
5 thereafter.

6 (c) Until July 1, 2045, upon every person engaging within this
7 state in the business of selling at wholesale: (i) Timber extracted
8 by that person; (ii) timber products manufactured by that person from
9 timber or other timber products; (iii) wood products manufactured by
10 that person from timber or timber products; or (iv) products defined
11 in RCW 19.27.570(1) manufactured by that person; as to such persons
12 the amount of the tax with respect to the business is equal to the
13 gross proceeds of sales of the timber, timber products, wood
14 products, or products defined in RCW 19.27.570(1) multiplied by the
15 rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and
16 0.2904 percent from July 1, 2007, through June 30, 2045.

17 (d) Until July 1, 2045, upon every person engaging within this
18 state in the business of selling standing timber; as to such persons
19 the amount of the tax with respect to the business is equal to the
20 gross income of the business multiplied by the rate of 0.2904
21 percent. For purposes of this subsection (12)(d), "selling standing
22 timber" means the sale of timber apart from the land, where the buyer
23 is required to sever the timber within (~~thirty~~) 30 months from the
24 date of the original contract, regardless of the method of payment
25 for the timber and whether title to the timber transfers before,
26 upon, or after severance.

27 (e) For purposes of this subsection, the following definitions
28 apply:

29 (i) "Biocomposite surface products" means surface material
30 products containing, by weight or volume, more than (~~fifty~~) 50
31 percent recycled paper and that also use nonpetroleum-based phenolic
32 resin as a bonding agent.

33 (ii) "Paper and paper products" means products made of interwoven
34 cellulosic fibers held together largely by hydrogen bonding. "Paper
35 and paper products" includes newsprint; office, printing, fine, and
36 pressure-sensitive papers; paper napkins, towels, and toilet tissue;
37 kraft bag, construction, and other kraft industrial papers;
38 paperboard, liquid packaging containers, containerboard, corrugated,
39 and solid-fiber containers including linerboard and corrugated
40 medium; and related types of cellulosic products containing

1 primarily, by weight or volume, cellulosic materials. "Paper and
2 paper products" does not include books, newspapers, magazines,
3 periodicals, and other printed publications, advertising materials,
4 calendars, and similar types of printed materials.

5 (iii) "Recycled paper" means paper and paper products having
6 fifty percent or more of their fiber content that comes from
7 postconsumer waste. For purposes of this subsection (12)(e)(iii),
8 "postconsumer waste" means a finished material that would normally be
9 disposed of as solid waste, having completed its life cycle as a
10 consumer item.

11 (iv) "Timber" means forest trees, standing or down, on privately
12 or publicly owned land. "Timber" does not include Christmas trees
13 that are cultivated by agricultural methods or short-rotation
14 hardwoods as defined in RCW 84.33.035.

15 (v) "Timber products" means:

16 (A) Logs, wood chips, sawdust, wood waste, and similar products
17 obtained wholly from the processing of timber, short-rotation
18 hardwoods as defined in RCW 84.33.035, or both;

19 (B) Pulp, including market pulp and pulp derived from recovered
20 paper or paper products; and

21 (C) Recycled paper, but only when used in the manufacture of
22 biocomposite surface products.

23 (vi) "Wood products" means paper and paper products; dimensional
24 lumber; engineered wood products such as particleboard, oriented
25 strand board, medium density fiberboard, and plywood; wood doors;
26 wood windows; and biocomposite surface products.

27 (f) Except for small harvesters as defined in RCW 84.33.035, a
28 person reporting under the tax rate provided in this subsection (12)
29 must file a complete annual tax performance report with the
30 department under RCW 82.32.534.

31 (g) Nothing in this subsection (12) may be construed to affect
32 the taxation of any activity defined as a retail sale in RCW
33 82.04.050(2) (b) or (c), defined as a wholesale sale in RCW
34 82.04.060(2), or taxed under RCW 82.04.280(1)(g).

35 (13) Upon every person engaging within this state in inspecting,
36 testing, labeling, and storing canned salmon owned by another person,
37 as to such persons, the amount of tax with respect to such activities
38 is equal to the gross income derived from such activities multiplied
39 by the rate of 0.484 percent.

1 (14) (a) Upon every person engaging within this state in the
2 business of printing a newspaper, publishing a newspaper, or both,
3 the amount of tax on such business is equal to the gross income of
4 the business multiplied by the rate of 0.35 percent until July 1,
5 2024, and 0.484 percent thereafter.

6 (b) A person reporting under the tax rate provided in this
7 subsection (14) must file a complete annual tax performance report
8 with the department under RCW 82.32.534.

9 **Sec. 3.** RCW 82.04.2909 and 2017 c 135 s 12 are each amended to
10 read as follows:

11 (1) Upon every person who is an aluminum smelter engaging within
12 this state in the business of manufacturing aluminum; as to such
13 persons the amount of tax with respect to such business is, in the
14 case of manufacturers, equal to the value of the product
15 manufactured, or in the case of processors for hire, equal to the
16 gross income of the business, multiplied by the rate of (~~(.2904)~~)
17 0.275 percent.

18 (2) Upon every person who is an aluminum smelter engaging within
19 this state in the business of making sales at wholesale of aluminum
20 manufactured by that person, as to such persons the amount of tax
21 with respect to such business is equal to the gross proceeds of sales
22 of the aluminum multiplied by the rate of .2904 percent.

23 (3) A person reporting under the tax rate provided in subsection
24 (2) of this section must file a complete annual tax performance
25 report with the department under RCW 82.32.534.

26 (4) This section expires January 1, 2027.

27 **Sec. 4.** RCW 82.04.280 and 2019 c 449 s 1 are each amended to
28 read as follows:

29 (1) Upon every person engaging within this state in the business
30 of: (a) Printing materials other than newspapers, and of publishing
31 periodicals or magazines; (b) building, repairing or improving any
32 street, place, road, highway, easement, right-of-way, mass public
33 transportation terminal or parking facility, bridge, tunnel, or
34 trestle which is owned by a municipal corporation or political
35 subdivision of the state or by the United States and which is used or
36 to be used, primarily for foot or vehicular traffic including mass
37 transportation vehicles of any kind and including any readjustment,
38 reconstruction or relocation of the facilities of any public, private

1 or cooperatively owned utility or railroad in the course of such
2 building, repairing or improving, the cost of which readjustment,
3 reconstruction, or relocation, is the responsibility of the public
4 authority whose street, place, road, highway, easement, right-of-way,
5 mass public transportation terminal or parking facility, bridge,
6 tunnel, or trestle is being built, repaired or improved; (c)
7 extracting for hire (~~(or processing for hire)~~), except persons
8 taxable as extractors for hire (~~(or processors for hire)~~) under
9 another section of this chapter; (d) operating a cold storage
10 warehouse or storage warehouse, but not including the rental of cold
11 storage lockers; (e) representing and performing services for fire or
12 casualty insurance companies as an independent resident managing
13 general agent licensed under the provisions of chapter 48.17 RCW; (f)
14 radio and television broadcasting, but excluding revenues from
15 network, national, and regional advertising computed either: (i) As a
16 standard deduction that the department must publish by rule by
17 September 30, 2020, and by September 30th of every fifth year
18 thereafter, based on the national average thereof as reported by the
19 United States census bureau's economic census; or (ii) in lieu
20 thereof by itemization by the individual broadcasting station, and
21 excluding that portion of revenue represented by the out-of-state
22 audience computed as a ratio to the broadcasting station's total
23 audience as measured by the .5 millivolt/meter signal strength
24 contour for AM radio, the one millivolt/meter or (~~(sixty)~~) 60 dBu
25 signal strength contour for FM radio, the (~~(twenty-eight)~~) 28 dBu
26 signal strength contour for television channels two through six, the
27 (~~(thirty-six)~~) 36 dBu signal strength contour for television channels
28 seven through (~~(thirteen)~~) 13, and the (~~(forty-one)~~) 41 dBu signal
29 strength contour for television channels (~~(fourteen)~~) 14 through
30 (~~(sixty-nine)~~) 69 with delivery by wire, satellite, or any other
31 means, if any; (g) engaging in activities which bring a person within
32 the definition of consumer contained in RCW 82.04.190(6); as to such
33 persons, the amount of tax on such business is equal to the gross
34 income of the business multiplied by the rate of 0.484 percent.

35 (2) For the purposes of this section, the following definitions
36 apply unless the context clearly requires otherwise.

37 (a) "Cold storage warehouse" means a storage warehouse used to
38 store fresh and/or frozen perishable fruits or vegetables, meat,
39 seafood, dairy products, or fowl, or any combination thereof, at a

1 desired temperature to maintain the quality of the product for
2 orderly marketing.

3 (b) "Storage warehouse" means a building or structure, or any
4 part thereof, in which goods, wares, or merchandise are received for
5 storage for compensation, except field warehouses, fruit warehouses,
6 fruit packing plants, warehouses licensed under chapter 22.09 RCW,
7 public garages storing automobiles, railroad freight sheds, docks and
8 wharves, and "self-storage" or "mini storage" facilities whereby
9 customers have direct access to individual storage areas by separate
10 entrance. "Storage warehouse" does not include a building or
11 structure, or that part of such building or structure, in which an
12 activity taxable under RCW 82.04.272 is conducted.

13 (c) "Periodical or magazine" means a printed publication, other
14 than a newspaper, issued regularly at stated intervals at least once
15 every three months, including any supplement or special edition of
16 the publication.

17 **Sec. 5.** RCW 82.32.790 and 2019 c 449 s 2 are each amended to
18 read as follows:

19 (1)(a) Section 2, chapter 449, Laws of 2019, sections 510, 512,
20 514, 516, (~~(518)~~) 520, 522, and 524, chapter 37, Laws of 2017 3rd
21 sp. sess., sections (~~(9)~~) 13, 17, 22, 24, 30, 32, and 45, chapter
22 135, Laws of 2017, sections (~~(104)~~) 110, 117, 123, 125, 129, 131,
23 and 150, chapter 114, Laws of 2010, and sections 1, 2, (~~(3)~~) and 5
24 through 10, chapter 149, Laws of 2003 are contingent upon the siting
25 and commercial operation of a significant semiconductor microchip
26 fabrication facility in the state of Washington by January 1, 2024.

27 (b) For the purposes of this section:

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

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

32 (iii) "Significant" means the combined investment of new
33 buildings and new machinery and equipment in the buildings, at the
34 commencement of commercial production, will be at least (~~(one billion~~
35 ~~dollars)~~) \$1,000,000,000.

36 (2) The sections referenced in subsection (1) of this section
37 take effect the first day of the month in which a contract for the
38 construction of a significant semiconductor fabrication facility is

1 signed, if the contract is signed and received by January 1, 2024, as
2 determined by the director of the department of revenue.

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

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

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

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

27 NEW SECTION. **Sec. 6.** 2017 3rd sp.s. c 37 s 518, 2017 c 135 s 9,
28 2010 c 114 s 104, & 2003 c 149 s 3 are each repealed.

29 NEW SECTION. **Sec. 7.** This act takes effect October 1, 2022.

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