

ESSB 5334 - H AMD TO LG COMM AMD (H-3365.1/24) **1243**

By Representative Dye

NOT CONSIDERED 03/07/2024

1 One page 1 of the striking amendment, strike all material after
2 line 2 and insert the following:

3

4 **"Sec. 1.** RCW 82.08.020 and 2022 c 16 s 145 are each amended to
5 read as follows:

6 (1) There is levied and collected a tax equal to six (~~and five-~~
7 ~~tenths~~) percent of the selling price on each retail sale in this
8 state of:

9 (a) Tangible personal property, unless the sale is specifically
10 excluded from the RCW 82.04.050 definition of retail sale;

11 (b) Digital goods, digital codes, and digital automated
12 services, if the sale is included within the RCW 82.04.050
13 definition of retail sale;

14 (c) Services, other than digital automated services, included
15 within the RCW 82.04.050 definition of retail sale;

16 (d) Extended warranties to consumers; and

17 (e) Anything else, the sale of which is included within the RCW
18 82.04.050 definition of retail sale.

19 (2) There is levied and collected an additional tax on each
20 retail car rental, regardless of whether the vehicle is licensed in
21 this state, equal to five and nine-tenths percent of the selling
22 price. The revenue collected under this subsection must be deposited
23 in the multimodal transportation account created in RCW 47.66.070.

24 (3) Beginning July 1, 2003, there is levied and collected an
25 additional tax of three-tenths of one percent of the selling price
26 on each retail sale of a motor vehicle in this state, other than
27 retail car rentals taxed under subsection (2) of this section. The

1 revenue collected under this subsection must be deposited in the
2 multimodal transportation account created in RCW 47.66.070.

3 (4) For purposes of subsection (3) of this section, "motor
4 vehicle" has the meaning provided in RCW 46.04.320, but does not
5 include:

6 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180
7 and 46.04.181, unless the farm tractor or farm vehicle is for use in
8 the production of cannabis;

9 (b) Off-road vehicles as defined in RCW 46.04.365;

10 (c) Nonhighway vehicles as defined in RCW 46.09.310; and

11 (d) Snowmobiles as defined in RCW 46.04.546.

12 (5) Beginning on December 8, 2005, 0.16 percent of the taxes
13 collected under subsection (1) of this section must be dedicated to
14 funding comprehensive performance audits required under RCW
15 43.09.470. The revenue identified in this subsection must be
16 deposited in the performance audits of government account created in
17 RCW 43.09.475.

18 (6) The taxes imposed under this chapter apply to successive
19 retail sales of the same property.

20 (7) The rates provided in this section apply to taxes imposed
21 under chapter 82.12 RCW as provided in RCW 82.12.020.

22

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

25 (1) A county legislative authority may submit an authorizing
26 proposition to the county voters at a special or general election
27 and, if the proposition is approved by a majority of persons voting,
28 impose a sales and use tax. The rate of tax under this section is
29 equal to 0.5 percent of the selling price in the case of a sales
30 tax, or value of the article used, in the case of a use tax.

31 (2) A city legislative authority may submit an authorizing
32 proposition to the city voters at a special or general election and,
33 if the proposition is approved by a majority of persons voting,
34 impose a sales and use tax. The rate of tax under this subsection is

1 equal to 0.5 percent of the selling price in the case of a sales
2 tax, or value of the article used, in the case of a use tax.

3 (3) The combined total tax levied under this section may not be
4 greater than 0.5 percent. If both a county and a city impose a tax
5 under this section, the tax imposed by a city must be credited
6 against the tax imposed by a county.

7 (4) At least 20 percent of the revenue collected under this
8 section must be used for:

9 (i) Acquiring, rehabilitating, or constructing affordable or
10 workforce housing, which may include new units of affordable housing
11 within an existing structure, or facilities providing supportive
12 housing services;

13 (ii) Funding the operations and maintenance costs of units of
14 affordable, workforce, or supportive housing;

15 (iii) Providing rental assistance to tenants; or

16 (iv) Funding the operations of social service organizations and
17 nonprofit organizations dedicated to providing services and
18 assistance related to attaining and maintaining housing including,
19 but not limited to, employment assistance, utilities assistance,
20 nutritional assistance, and childcare assistance.

21 (5) The tax authorized in this section is in addition to any
22 other taxes authorized by law and must be collected from those
23 persons who are taxable by the state under chapters 82.08 and 82.12
24 RCW upon the occurrence of any taxable event within the county.

25 (6) The department must perform the collection of the tax under
26 this section on behalf of a county or city at no cost to the county or
27 city, and the state treasurer must distribute the tax as available on
28 a monthly basis to the county or city or, upon the direction of the
29 county or city, to its treasurer or a fiscal agent, paying agent, or
30 trustee for obligations issued or incurred by the program."

31

32 Correct the title.

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EFFECT:

- Lowers the state sales tax rate to 6 percent.
- Provides a local government option to impose an additional 0.5 percent sales and use tax, with voter approval.
- Requires that at least 20 percent of the revenue from the new local government tax must be used for affordable, workforce, or supportive housing services, providing rental assistance to tenants, or funding the operations of social service and nonprofit organizations dedicated to providing assistance related to attaining and maintaining housing.

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