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**HOUSE BILL 1711**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Chapman, Tharinger, Lekanoff, Ryu, Callan, Reed, Volz, Kloba, Stearns, Stokesbary, and Santos

Read first time 02/01/23. Referred to Committee on Finance.

1 AN ACT Relating to providing a sales and use tax exemption  
2 related to internet and telecommunications infrastructure projects  
3 involving a federally recognized Indian tribe; adding a new section  
4 to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW;  
5 creating a new section; and providing expiration dates.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08  
8 RCW to read as follows:

9 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
10 building materials, telecommunications equipment, or any personal  
11 property used or incorporated into a qualified infrastructure  
12 project. This exemption also applies to charges made for the labor  
13 and services related to the construction of a qualified  
14 infrastructure project or the installation of any equipment or other  
15 personal property incorporated into a qualified infrastructure  
16 project.

17 (2)(a) In order to obtain an exemption certificate under this  
18 section, a taxpayer working on a qualified infrastructure project  
19 must submit an application to the department for an exemption  
20 certificate. The application must include the information necessary,  
21 as required by the department to determine that the taxpayer

1 qualifies for the exemption under this section. The application must  
2 also include certification from the owner of the qualified  
3 infrastructure project that the taxpayer is associated with the  
4 qualified infrastructure project and any other information as  
5 required by the department. The department must issue an exemption  
6 certificate to qualified taxpayers.

7 (b) A qualified taxpayer claiming the exemption under this  
8 section must present the seller with an exemption certificate in a  
9 form and manner prescribed by the department. The seller must retain  
10 a copy of the certificate for the seller's files.

11 (c) The exemption certificate is effective on the date the  
12 application is received by the department, which is the date of  
13 issuance. Only purchases on or after the date of issuance qualify for  
14 the exemption under this section. No tax refunds are authorized for  
15 purchases made before the effective date of the exemption.

16 (d) An exemption certificate expires on the date the project is  
17 certified as complete by the qualified infrastructure project owner  
18 or December 31, 2028, whichever is first.

19 (3) The definitions in this subsection apply throughout this  
20 section unless the context clearly requires otherwise.

21 (a) "Qualified infrastructure project" means the construction of  
22 buildings and utilities related to the deployment of modern global  
23 internet and telecommunications infrastructure that occurs in part in  
24 a distressed county located on the coast of Washington. The  
25 infrastructure may include, but is not limited to, cable landing  
26 stations, data centers, communications hubs, buried utility  
27 connections and extension, and any related equipment and buildings  
28 that will add broadband capacity and infrastructure to the area.

29 (b) "Qualified infrastructure project owner" means a federally  
30 recognized tribe and an indigenous-owned business entity that is  
31 deploying an internet and telecommunications infrastructure in at  
32 least one distressed county on the coast of Washington.

33 (4) This section expires December 31, 2029.

34 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12  
35 RCW to read as follows:

36 (1) Provided an exemption certificate has been issued pursuant to  
37 section 1 of this act, the provisions of this chapter do not apply  
38 with respect to the use of building materials as well as charges made  
39 for the labor and services related to the construction of a qualified

1 infrastructure project. This exemption also applies to charges made  
2 for the labor and services related to the construction of a qualified  
3 infrastructure project or the installation of any equipment or other  
4 personal property incorporated into a qualified infrastructure  
5 project.

6 (2) The definitions and requirements in section 1 of this act  
7 apply to this section.

8 (3) This section expires December 31, 2029.

9 NEW SECTION. **Sec. 3.** RCW 82.32.808 does not apply to this act.

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