
HOUSE BILL 3054

State of Washington

68th Legislature

2024 Regular Session

By Representative Abbarno

1 AN ACT Relating to Testing Mark RCW; and amending RCW 82.32.020,
2 82.32.023, and 82.32.026.

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

4 **Sec. 1.** RCW 82.32.020 and 2019 c 8 s 402 are each amended to
5 read as follows:

6 For the purposes of this chapter:

7 (1) The meaning attributed in chapters 82.01 through 82.27 RCW to
8 the words and phrases "tax year," "taxable year," "person,"
9 "company," "gross proceeds of sales," "gross income of the business,"
10 "business," "engaging in business," "successor," "gross operating
11 revenue," "gross income," "taxpayer," "retail sale," "seller,"
12 "buyer," "purchaser," "extended warranty," and "value of products"
13 apply equally to the provisions of this chapter.

14 (2) Unless the context clearly requires otherwise, the term "tax"
15 includes any monetary exaction, regardless of its label, that the
16 department is responsible for collecting, but not including interest,
17 penalties, the surcharge imposed in RCW 40.14.027, or fees incurred
18 by the department and recouped from taxpayers.

19 (3) Whenever "property" or "personal property" is used, those
20 terms must be construed to include digital goods and digital codes
21 unless: (a) It is clear from the context that the term "personal

1 property" is intended only to refer to tangible personal property;
2 (b) it is clear from the context that the term "property" is intended
3 only to refer to tangible personal property, real property, or both;
4 or (c) to construe the term "property" or "personal property" as
5 including digital goods and digital codes would yield unlikely,
6 absurd, or strained consequences.

7 (4) The definitions in this subsection apply throughout this
8 chapter, unless the context clearly requires otherwise.

9 (a) "Agreement" means the streamlined sales and use tax
10 agreement.

11 (b) "Associate member" means a petitioning state that is found to
12 be in compliance with the agreement and changes to its laws, rules,
13 or other authorities necessary to bring it into compliance are not in
14 effect, but are scheduled to take effect on or before January 1,
15 2008. The petitioning states, by majority vote, may also grant
16 associate member status to a petitioning state that does not receive
17 an affirmative vote of three-fourths of the petitioning states upon a
18 finding that the state has achieved substantial compliance with the
19 terms of the agreement as a whole, but not necessarily each required
20 provision, measured qualitatively, and there is a reasonable
21 expectation that the state will achieve compliance by January 1,
22 2008.

23 (c) "Certified automated system" means software certified under
24 the agreement to calculate the tax imposed by each jurisdiction on a
25 transaction, determine the amount of tax to remit to the appropriate
26 state, and maintain a record of the transaction.

27 (d) "Certified service provider" means an agent certified under
28 the agreement to perform all of the seller's sales and use tax
29 functions, other than the seller's obligation to remit tax on its own
30 purchases.

31 (e) (i) "Member state" means a state that:

32 (A) Has petitioned for membership in the agreement and submitted
33 a certificate of compliance; and

34 (B) Before the effective date of the agreement, has been found to
35 be in compliance with the requirements of the agreement by an
36 affirmative vote of three-fourths of the other petitioning states; or

37 (C) After the effective date of the agreement, has been found to
38 be in compliance with the agreement by a three-fourths vote of the
39 entire governing board of the agreement.

1 (ii) Membership by reason of (e)(i)(A) and (B) of this subsection
2 is effective on the first day of a calendar quarter at least sixty
3 days after at least ten states comprising at least twenty percent of
4 the total population, as determined by the 2000 federal census, of
5 all states imposing a state sales tax have petitioned for membership
6 and have either been found in compliance with the agreement or have
7 been found to be an associate member under section 704 of the
8 agreement.

9 (iii) Membership by reason of (e)(i)(A) and (C) of this
10 subsection is effective on the state's proposed date of entry or the
11 first day of the calendar quarter after its petition is approved by
12 the governing board, whichever is later, and is at least sixty days
13 after its petition is approved.

14 (f) "Model 1 seller" means a seller that has selected a certified
15 service provider as its agent to perform all the seller's sales and
16 use tax functions as outlined in the contract between the streamlined
17 sales tax governing board and the certified service provider, other
18 than the seller's obligation to remit tax on its own purchases.

19 (g) "Model 2 seller" means a seller that has selected a certified
20 automated system to perform part of its sales and use tax functions,
21 but retains responsibility for remitting the tax.

22 (h) "Model 3 seller" means a seller that has sales in at least
23 five member states, has total annual sales revenue of at least five
24 hundred million dollars, has a proprietary system that calculates the
25 amount of tax due each jurisdiction, and has entered into a
26 performance agreement with the member states that establishes a tax
27 performance standard for the seller. As used in this subsection
28 (4)(h), a seller includes an affiliated group of sellers using the
29 same proprietary system.

30 (i) "Source" means the location in which the sale or use of
31 tangible personal property, a digital good or digital code, an
32 extended warranty, or a digital automated service or other service,
33 subject to tax under chapter 82.08, 82.12, 82.14, or 82.14B RCW, is
34 deemed to occur.

35 **Sec. 2.** RCW 82.32.023 and 2009 c 535 s 1112 are each amended to
36 read as follows:

37 For purposes of construing those provisions of the streamlined
38 sales and use tax agreement that have been incorporated into this
39 title, and unless the context requires otherwise, the terms "product"

1 and "products" refer to tangible personal property, digital goods,
2 digital codes, digital automated services, other services, extended
3 warranties, and anything else that can be sold or used.

4 **Sec. 3.** RCW 82.32.026 and 2007 c 6 s 201 are each amended to
5 read as follows:

6 (1) A seller, by written agreement, may appoint a person to
7 represent the seller as its agent. The seller's agent has authority
8 to register the seller with the department under RCW 82.32.030. An
9 agent may also be a certified service provider, with authority to
10 perform all the seller's sales and use tax functions, except that the
11 seller remains responsible for remitting the tax on its own
12 purchases.

13 (2) The seller or its agent must provide the department with a
14 copy of the written agreement upon request.

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