
SENATE BILL 5689

State of Washington

68th Legislature

2023 Regular Session

By Senators Stanford, Braun, Keiser, Rolfes, and Saldaña

Read first time 02/03/23. Referred to Committee on Business, Financial Services, Gaming & Trade.

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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