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**SENATE BILL 5610**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Senators Kauffman, Nobles, and Orwall

AN ACT Relating to establishing an equine industry tax credit, allowing the horse racing commission to impose a fee, and using equine industry sales tax revenues for federal regulatory compliance; adding new sections to chapter 67.16 RCW; adding a new section to chapter 82.04 RCW; creating a new section; providing an effective date; and declaring an emergency.

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

NEW SECTION. **Sec.**  A new section is added to chapter 67.16 RCW to read as follows:

The commission may impose fees, as the commission deems reasonable and appropriate, in order to pay federal fees and be in compliance with the horseracing integrity and safety act of 2020, 15 U.S.C. Sec. 3051 et seq., as amended. Revenues from the fees under this section must be deposited in the Washington equine industry federal regulatory account created in section 4 of this act. The commission may adopt rules to implement this section.

NEW SECTION. **Sec.**  A new section is added to chapter 82.04 RCW to read as follows:

(1)(a) In computing the tax imposed under this chapter, a credit is allowed for all amounts paid by a person licensed to conduct race meets in this state in an amount equal to the amount paid by the person in the prior state fiscal year to:

(i) The federal horseracing integrity safety authority; or

(ii) The Washington horse racing commission.

(b) Amounts paid are inclusive of any applicable true-up calculations or credits made, granted, or applied to an assessment imposed on the person by the federal horseracing integrity safety authority, for covered race meets in the state, pursuant to the horseracing integrity and safety act of 2020, 15 U.S.C. Sec. 3051 et seq., as amended.

(2) A person must have made the payment before claiming a credit authorized under this section. The credit may be used against any tax due under this chapter. The amount of the credit claimed for a reporting period may not exceed the tax otherwise due under this chapter for that reporting period. No refunds may be granted for any unused credits.

(3) To claim a credit under this section, a person must electronically file with the department all returns, forms, and any other information required by the department, in an electronic format as provided or approved by the department. Any return, form, or information required to be filed in an electronic format under this section is not filed until received by the department in electronic format.

(4) No application is necessary for the tax credit. The person must keep records necessary for the department to verify eligibility under this section.

(5) The Washington horse racing commission must provide to the department, upon request, such information as may be needed to verify eligibility for credit under this section, including information regarding payments received by the commission.

(6) Chapter 82.32 RCW applies to the administration of this section.

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

(a) "Race meet" has the same meaning as in RCW 67.16.010.

(b) "Returns" has the same meaning as "return" in RCW 82.32.050.

NEW SECTION. **Sec.**  A new section is added to chapter 67.16 RCW to read as follows:

(1) By July 1, 2026, and by July 1st of each year thereafter, the state treasurer, based upon information provided by the department of revenue, must transfer from the general fund to the Washington equine industry federal regulatory account created in section 4 of this act an amount not to exceed $1,500,000 per fiscal year directly derived from the imposition of state sales and use taxes charged or levied on the following equine products, services, or uses:

(a) Equines;

(b) Equine feed;

(c) Prescription drugs, over-the-counter drugs, or dietary supplements dispensed or to be dispensed to equines;

(d) Equine tack which includes, but is not limited to, equipment used to ride or care for an equine such as saddles, driving harnesses, girths, cinches, bridles, martingales, halters, lead ropes, whips, long reins, wraps, and other items used in handling and caring for equines;

(e) Horse bedding and grooming supplies;

(f) Other taxable sales directly related to equine ownership, riding, or boarding; and

(g) Sale of horses including equines claimed at class 1 and class C regulated race meets.

(2) Following each biennium, the amount not to exceed in subsection (1) of this section may be reviewed and increased based on inflationary calculations as determined by the department of revenue and federal fee amounts as determined by the Washington horse racing commission.

(3) For purposes of this section, "equine" has the meaning provided in RCW 4.24.530.

NEW SECTION. **Sec.**  A new section is added to chapter 67.16 RCW to read as follows:

The Washington equine industry federal regulatory account is created in the state treasury. All receipts transferred to the account pursuant to section 3 of this act must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only to pay fees charged by the federal horseracing integrity safety authority pursuant to the horseracing integrity and safety act of 2020, 15 U.S.C. Sec. 3051 et seq., as amended.

NEW SECTION. **Sec.**  RCW 82.32.805 and 82.32.808 do not apply to section 2 of this act.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025.

**--- END ---**