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**SENATE BILL 5088**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senators Chapman, Cleveland, and Lias

Prefiled 12/19/24. Read first time 01/13/25. Referred to Committee on Local Government.

1 AN ACT Relating to authorizing counties to impose a public  
2 utility tax; and adding a new chapter to Title 82 RCW.

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

4 NEW SECTION. **Sec. 1.** (1) Subject to the conditions and  
5 requirements of this section, the legislative authority of any county  
6 may impose an excise tax on the privilege of engaging in business as  
7 a utility. The tax is equal to the gross income of the utility  
8 derived from providing service to consumers within the county  
9 multiplied by the rate imposed by the legislative authority.

10 (2) A county may not impose a rate of tax that exceeds three  
11 percent.

12 (3) A utility subject to tax under this section must add the tax  
13 to the rates or charges it makes for utility services and separately  
14 state the amount of tax on billings.

15 (4) A county may initially impose the tax authorized under this  
16 section only on the first day of a calendar quarter and no sooner  
17 than 75 days from the date the county adopts the ordinance or  
18 resolution imposing the tax.

19 (5) A county may provide exemptions for sales by utilities to  
20 business customers, such as manufacturing facilities, aircraft repair  
21 facilities, industrial parks, industrial facilities, farm businesses,

1 and computer data centers. A county may not provide a general  
2 exemption for sales by utilities to residential customers unless  
3 business customers are also exempt.

4 (6) A county must allow a credit against the tax imposed under  
5 the authority of this section for the amount of any similar utility  
6 tax imposed by a city or town on the same taxable event. The credit  
7 required by this subsection may not exceed the amount of tax  
8 otherwise due.

9 NEW SECTION. **Sec. 2.** The definitions in this section apply  
10 throughout this chapter unless the context clearly requires  
11 otherwise.

12 (1) "Cable service utility" means a person providing cable  
13 service as defined in the federal telecommunications act of 1996.

14 (2) "Electrical power utility" means a light and power business  
15 as defined in RCW 82.16.010.

16 (3) "Gas utility" means a gas distribution business as defined in  
17 RCW 82.16.010.

18 (4) "Gross income" has the same meaning as provided in RCW  
19 82.16.010.

20 (5) "Sewer utility" means a sewerage collection business as that  
21 term is used in chapter 82.16 RCW.

22 (6) "Solid waste utility" means a solid waste collection business  
23 as defined in RCW 82.18.010.

24 (7) "Telephone utility" means a person providing  
25 telecommunications service as defined in RCW 82.04.065.

26 (8) "Utility" means an electrical power utility, gas utility,  
27 telephone utility, water utility, sewer utility, solid waste utility,  
28 or cable service utility.

29 (9) "Water utility" means a water distribution business as  
30 defined in RCW 82.16.010.

31 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act constitute a  
32 new chapter in Title 82 RCW to be codified as chapter 82.16A RCW.

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