
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5280

State of Washington

54th Legislature

1995 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Smith, Roach, West, Bauer, Schow, Finkbeiner, Johnson, Hale, Kohl, Deccio, Drew and Rasmussen)

Read first time 03/06/95.

1 AN ACT Relating to tax deferrals for a new thoroughbred race track
2 facility; adding a new chapter to Title 82 RCW; and declaring an
3 emergency.

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

5 NEW SECTION. **Sec. 1.** Unless the context clearly requires
6 otherwise, the definitions in this section apply throughout this
7 chapter.

8 (1) "Applicant" means a person applying for a tax deferral under
9 this chapter.

10 (2) "Person" has the meaning given in RCW 82.04.030.

11 (3) "Department" means the department of revenue.

12 (4) "Investment project" means construction of buildings, site
13 preparation, and the acquisition of related machinery and equipment
14 when the buildings, machinery, and equipment are to be used in the
15 operation of a new thoroughbred race track.

16 (5) "New thoroughbred race track" means a site for thoroughbred
17 horse racing located west of the Cascade mountains on which
18 construction is commenced after the effective date of this act and
19 prior to July 1, 1998.

1 (6) "Buildings" means only those new structures such as ticket
2 offices, concession areas, grandstands, stables, and other structures
3 that are an essential or an integral part of a thoroughbred race track.
4 If a building is used partly for use as an essential or integral part
5 of a thoroughbred race track and partly for other purposes, the
6 applicable tax deferral shall be determined by apportionment of the
7 costs of construction under rules adopted by the department.

8 (7) "Machinery and equipment" means all fixtures, equipment, and
9 support facilities that are an integral and necessary part of a
10 thoroughbred race track.

11 (8) "Recipient" means a person receiving a tax deferral under this
12 chapter.

13 (9) "Certificate holder" means an applicant to whom a tax deferral
14 certificate has been issued.

15 (10) "Operationally complete" means constructed or improved to the
16 point of being functionally useable for thoroughbred horse racing.

17 (11) "Initiation of construction" means that date upon which on-
18 site construction commences.

19 NEW SECTION. **Sec. 2.** Application for deferral of taxes under this
20 chapter shall be made before initiation of construction of buildings or
21 acquisition of machinery and equipment. The application shall be made
22 to the department in a form and manner prescribed by the department.
23 The application shall contain information regarding the location of the
24 investment project, estimated or actual costs, time schedules for
25 completion and operation, and other information required by the
26 department. The department shall rule on the application within sixty
27 days.

28 NEW SECTION. **Sec. 3.** (1) The department shall issue a sales and
29 use tax deferral certificate for state and local sales and use taxes
30 due under chapters 82.08, 82.12, and 82.14 RCW on each investment
31 project. The use of the certificate shall be governed by rules
32 established by the department.

33 (2) This section shall expire July 1, 1998.

34 NEW SECTION. **Sec. 4.** (1) The recipient shall begin paying the
35 deferred taxes in the fifth year after the date certified by the
36 department as the date on which the investment project is operationally

1 complete. The first payment is due on December 31st of the fifth
2 calendar year after such certified date, with subsequent annual
3 payments due on December 31st of the following nine years with amounts
4 of payment scheduled as follows:

5	Repayment Year	% of Deferred Tax Repaid
6	1	10%
7	2	10%
8	3	10%
9	4	10%
10	5	10%
11	6	10%
12	7	10%
13	8	10%
14	9	10%
15	10	10%

16 (2) The department may authorize an accelerated repayment schedule
17 upon request of the recipient.

18 (3) Interest shall not be charged on any taxes deferred under this
19 chapter for the period of deferral, although all other penalties and
20 interest applicable to delinquent excise taxes may be assessed and
21 imposed for delinquent payments under this chapter. The debt for
22 deferred taxes is not extinguished by insolvency or other failure of
23 the recipient.

24 NEW SECTION. **Sec. 5.** Chapter 82.32 RCW applies to the
25 administration of this chapter.

26 NEW SECTION. **Sec. 6.** Applications and any other information
27 received by the department under this chapter is not confidential and
28 is subject to disclosure.

29 NEW SECTION. **Sec. 7.** If any provision of this act or its
30 application to any person or circumstance is held invalid, the
31 remainder of the act or the application of the provision to other
32 persons or circumstances is not affected.

33 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act shall
34 constitute a new chapter in Title 82 RCW.

1 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and shall take
4 effect immediately.

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