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**SENATE BILL 5949**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** Senators Chase, Prentice, Rockefeller, Kline, Keiser, Kohl-Welles, Nelson, and Conway

Read first time 04/15/11. Referred to Committee on Ways & Means.

1       AN ACT Relating to repealing the tax exemption on intangible  
2 property to provide funding for essential government services; creating  
3 new sections; and repealing RCW 84.36.070.

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

5       NEW SECTION.   **Sec. 1.**   The legislature finds that long-term  
6 economic trends indicate that intangible property income is growing  
7 while earned income is falling. The legislature, under previously  
8 enacted law, allowed exemptions for intangible property from the state  
9 levy. However, this exemption has led to a shift of the burden of  
10 state taxes to owners of tangible property which is growing heavier  
11 over time. Thus, in light of the long-term economic trend and the  
12 current downturn in state revenues, the legislature concludes that the  
13 tax exemption for intangible personal property is no longer justified.  
14 At a time when virtually every area of the budget is being reduced by  
15 substantial amounts, those that are receiving tax exemptions, such as  
16 the owners of intangible property, must also bear some of the burden to  
17 balance the budget.

1        NEW SECTION.    **Sec. 2.**    RCW 84.36.070 (Intangible personal  
2 property--Appraisal) and 1997 c 181 s 1, 1974 ex.s. c 118 s 1, & 1961  
3 c 15 s 84.36.070 are each repealed.

4        NEW SECTION.    **Sec. 3.**    This act applies to taxes levied for  
5 collection in 2012 and thereafter.

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