

Chapter 82.12 RCW
USE TAX

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Changes in tax law—Liability: RCW 82.08.064, 82.14.055, and 82.32.430.

Direct pay permits: RCW 82.32.087.

RCW 82.12.010 Definitions. For the purposes of this chapter:

(1) The meaning ascribed to words and phrases in chapters 82.04 and 82.08 RCW, insofar as applicable, has full force and effect with respect to taxes imposed under the provisions of this chapter.

"Consumer," in addition to the meaning ascribed to it in chapters 82.04 and 82.08 RCW insofar as applicable, also means any person who distributes or displays, or causes to be distributed or displayed, any article of tangible personal property, except newspapers, the primary purpose of which is to promote the sale of products or services. With respect to property distributed to persons within this state by a consumer as defined in this subsection (1), the use of the property is deemed to be by such consumer.

(2) "Extended warranty" has the same meaning as in RCW 82.04.050(7).

(3) "Purchase price" means the same as sales price as defined in RCW 82.08.010.

(4) (a) (i) Except as provided in (a) (ii) of this subsection (4), "retailer" means every seller as defined in RCW 82.08.010 and every person engaged in the business of selling tangible personal property at retail and every person required to collect from purchasers the tax imposed under this chapter.

(ii) "Retailer" does not include a professional employer organization when a covered employee coemployed with the client under the terms of a professional employer agreement engages in activities that constitute a sale of tangible personal property, extended warranty, digital good, digital code, or a sale of any digital automated service or service defined as a retail sale in RCW 82.04.050 (2) (a) or (g) or (6) (c) that is subject to the tax imposed by this chapter. In such cases, the client, and not the professional employer organization, is deemed to be the retailer and is responsible for collecting and remitting the tax imposed by this chapter.

(b) For the purposes of (a) of this subsection, the terms "client," "covered employee," "professional employer agreement," and "professional employer organization" have the same meanings as in RCW 82.04.540.

(5) "Taxpayer" and "purchaser" include all persons included within the meaning of the word "buyer" and the word "consumer" as defined in chapters 82.04 and 82.08 RCW.

(6) "Use," "used," "using," or "put to use" have their ordinary meaning, and mean:

(a) With respect to tangible personal property, except for natural gas and manufactured gas, the first act within this state by which the taxpayer takes or assumes dominion or control over the article of tangible personal property (as a consumer), and include installation, storage, withdrawal from storage, distribution, or any other act preparatory to subsequent actual use or consumption within this state;

(b) With respect to a service defined in RCW 82.04.050(2) (a), the first act within this state after the service has been performed by which the taxpayer takes or assumes dominion or control over the article of tangible personal property upon which the service was performed (as a consumer), and includes installation, storage, withdrawal from storage, distribution, or any other act preparatory to subsequent actual use or consumption of the article within this state;

(c) With respect to an extended warranty, the first act within this state after the extended warranty has been acquired by which the taxpayer takes or assumes dominion or control over the article of tangible personal property to which the extended warranty applies, and includes installation, storage, withdrawal from storage, distribution, or any other act preparatory to subsequent actual use or consumption of the article within this state;

(d) With respect to a digital good or digital code, the first act within this state by which the taxpayer, as a consumer, views, accesses, downloads, possesses, stores, opens, manipulates, or otherwise uses or enjoys the digital good or digital code;

(e) With respect to a digital automated service, the first act within this state by which the taxpayer, as a consumer, uses, enjoys, or otherwise receives the benefit of the service;

(f) With respect to a service defined as a retail sale in RCW 82.04.050(6)(c), the first act within this state by which the taxpayer, as a consumer, accesses the prewritten computer software;

(g) With respect to a service defined as a retail sale in RCW 82.04.050(2)(g), the first act within this state after the service has been performed by which the taxpayer, as a consumer, views, accesses, downloads, possesses, stores, opens, manipulates, or otherwise uses or enjoys the digital good upon which the service was performed; and

(h) With respect to natural gas or manufactured gas, the use of which is taxable under RCW 82.12.022, including gas that is also taxable under the authority of RCW 82.14.230, the first act within this state by which the taxpayer consumes the gas by burning the gas or storing the gas in the taxpayer's own facilities for later consumption by the taxpayer.

(7)(a) "Value of the article used" is the purchase price for the article of tangible personal property, the use of which is taxable under this chapter. The term also includes, in addition to the purchase price, the amount of any tariff or duty paid with respect to the importation of the article used. In case the article used is acquired by lease or by gift or is extracted, produced, or manufactured by the person using the same or is sold under conditions wherein the purchase price does not represent the true value thereof, the value of the article used is determined as nearly as possible according to the retail selling price at place of use of similar products of like quality and character under such rules as the department may prescribe.

(b) In case the articles used are acquired by bailment, the value of the use of the articles so used must be in an amount representing a reasonable rental for the use of the articles so bailed, determined as nearly as possible according to the value of such use at the places of use of similar products of like quality and character under such rules as the department of revenue may prescribe. In case any such articles of tangible personal property are used in respect to the construction, repairing, decorating, or improving of, and which become or are to become an ingredient or component of, new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing or attaching of any such articles therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, then the value of the use of such articles so used is determined according to the retail selling price of such articles, or in the absence of such a selling price, as nearly as

possible according to the retail selling price at place of use of similar products of like quality and character or, in the absence of either of these selling price measures, such value may be determined upon a cost basis, in any event under such rules as the department of revenue may prescribe.

(c) In the case of articles owned by a user engaged in business outside the state which are brought into the state for no more than one hundred eighty days in any period of three hundred sixty-five consecutive days and which are temporarily used for business purposes by the person in this state, the value of the article used must be an amount representing a reasonable rental for the use of the articles, unless the person has paid tax under this chapter or chapter 82.08 RCW upon the full value of the article used, as defined in (a) of this subsection.

(d) In the case of articles manufactured or produced by the user and used in the manufacture or production of products sold or to be sold to the department of defense of the United States, the value of the articles used is determined according to the value of the ingredients of such articles.

(e) In the case of an article manufactured or produced for purposes of serving as a prototype for the development of a new or improved product, the value of the article used is determined by: (i) The retail selling price of such new or improved product when first offered for sale; or (ii) the value of materials incorporated into the prototype in cases in which the new or improved product is not offered for sale.

(f) In the case of an article purchased with a direct pay permit under RCW 82.32.087, the value of the article used is determined by the purchase price of such article if, but for the use of the direct pay permit, the transaction would have been subject to sales tax.

(8) "Value of the digital good or digital code used" means the purchase price for the digital good or digital code, the use of which is taxable under this chapter. If the digital good or digital code is acquired other than by purchase, the value of the digital good or digital code must be determined as nearly as possible according to the retail selling price at place of use of similar digital goods or digital codes of like quality and character under rules the department may prescribe.

(9) "Value of the extended warranty used" means the purchase price for the extended warranty, the use of which is taxable under this chapter. If the extended warranty is received by gift or under conditions wherein the purchase price does not represent the true value of the extended warranty, the value of the extended warranty used is determined as nearly as possible according to the retail selling price at place of use of similar extended warranties of like quality and character under rules the department may prescribe.

(10) "Value of the service used" means the purchase price for the digital automated service or other service, the use of which is taxable under this chapter. If the service is received by gift or under conditions wherein the purchase price does not represent the true value thereof, the value of the service used is determined as nearly as possible according to the retail selling price at place of use of similar services of like quality and character under rules the department may prescribe. [2017 c 323 § 519; 2015 c 169 § 5. Prior: 2010 c 127 § 4; 2009 c 535 § 304; 2006 c 301 § 3; 2005 c 514 § 104; prior: 2003 c 168 § 102; 2003 c 5 § 1; 2002 c 367 § 3; 2001 c 188 § 3; 1994 c 93 § 1; prior: 1985 c 222 § 1; 1985 c 132 § 1; 1983 1st ex.s. c

55 § 2; 1975-'76 2nd ex.s. c 1 § 1; 1975 1st ex.s. c 278 § 52; 1965 ex.s. c 173 § 17; 1961 c 293 § 15; 1961 c 15 § 82.12.010; prior: 1955 c 389 § 24; 1951 1st ex.s. c 9 § 3; 1949 c 228 § 9; 1945 c 249 § 8; 1943 c 156 § 10; 1939 c 225 § 18; 1937 c 191 § 4; 1935 c 180 § 35; Rem. Supp. 1949 § 8370-35.]

Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323: See note following RCW 82.04.040.

Effective date—2015 c 169: See note following RCW 82.04.050.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Effective date—Act does not affect application of Title 50 or 51 RCW—2006 c 301: See notes following RCW 82.32.710.

Effective date—2005 c 514: See note following RCW 83.100.230.

Part headings not law—Severability—2005 c 514: See notes following RCW 82.12.808.

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Finding—Intent—Retroactive application—2003 c 5: "The legislature finds that in the enactment of chapter 367, Laws of 2002, some use tax exemptions were not updated to reflect the change in taxability regarding services. It is the legislature's intent to correct this omission by amending the various use tax exemptions so that services exempt from the sales tax are also exempt from the use tax. Sections 1 through 19 of this act apply retroactively to June 1, 2002. The department of revenue shall refund any use taxes paid and forgive use taxes unpaid as a result of the omission." [2003 c 5 § 20.]

Effective date—2003 c 5: "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 immediately [March 18, 2003]." [2003 c 5 § 21.]

Severability—Effective date—2002 c 367: See notes following RCW 82.04.060.

Finding—Intent—Effective date—2001 c 188: See notes following RCW 82.32.087.

Effective date—1994 c 93: "This act shall take effect July 1, 1994." [1994 c 93 § 3.]

Effective dates—1983 1st ex.s. c 55: See note following RCW 82.08.010.

Application to preexisting contracts—1975-'76 2nd ex.s. c 1; 1975 1st ex.s. c 90: "In the event any person has entered into a contract prior to July 1, 1975 or has bid upon a contract prior to July 1, 1975 and has been awarded the contract after July 1, 1975, the additional taxes imposed by chapter 90, Laws of 1975 1st ex. sess., section 5, chapter 291, Laws of 1975 1st ex. sess. and this 1975 amendatory act shall not be required to be paid by such person in carrying on activities in the fulfillment of such contract." [1975-'76 2nd ex.s. c 1 § 3; 1975 1st ex.s. c 90 § 4.]

Severability—1975-'76 2nd ex.s. c 1: "If any provision of this 1975 amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1975-'76 2nd ex.s. c 1 § 4.]

Construction—Severability—1975 1st ex.s. c 278: See notes following RCW 11.08.160.

Effective date—1965 ex.s. c 173: See note following RCW 82.04.050.

RCW 82.12.020 Use tax imposed. (1) There is levied and collected from every person in this state a tax or excise for the privilege of using within this state as a consumer any:

(a) Article of tangible personal property acquired by the user in any manner, including tangible personal property acquired at a casual or isolated sale, and including by-products used by the manufacturer thereof, except as otherwise provided in this chapter, irrespective of whether the article or similar articles are manufactured or are available for purchase within this state;

(b) Prewritten computer software, regardless of the method of delivery, but excluding prewritten computer software that is either provided free of charge or is provided for temporary use in viewing information, or both;

(c) Services defined as a retail sale in RCW 82.04.050 (2) (a) or (g) or (6) (c), excluding services defined as a retail sale in RCW 82.04.050 (6) (c) that are provided free of charge;

(d) Extended warranty; or

(e) (i) Digital good, digital code, or digital automated service, including the use of any services provided by a seller exclusively in connection with digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

(ii) With respect to the use of digital goods, digital automated services, and digital codes acquired by purchase, the tax imposed in this subsection (1) (e) applies in respect to:

(A) Sales in which the seller has granted the purchaser the right of permanent use;

(B) Sales in which the seller has granted the purchaser a right of use that is less than permanent;

(C) Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and

(D) Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

(iii) With respect to digital goods, digital automated services, and digital codes acquired other than by purchase, the tax imposed in this subsection (1)(e) applies regardless of whether or not the consumer has a right of permanent use or is obligated to make continued payment as a condition of use.

(2) The provisions of this chapter do not apply in respect to the use of any article of tangible personal property, extended warranty, digital good, digital code, digital automated service, or service taxable under RCW 82.04.050 (2) (a) or (g) or (6)(c), if the sale to, or the use by, the present user or the present user's bailor or donor has already been subjected to the tax under chapter 82.08 RCW or this chapter and the tax has been paid by the present user or by the present user's bailor or donor.

(3) (a) Except as provided in this section, payment of the tax imposed by this chapter or chapter 82.08 RCW by one purchaser or user of tangible personal property, extended warranty, digital good, digital code, digital automated service, or other service does not have the effect of exempting any other purchaser or user of the same property, extended warranty, digital good, digital code, digital automated service, or other service from the taxes imposed by such chapters.

(b) The tax imposed by this chapter does not apply:

(i) If the sale to, or the use by, the present user or his or her bailor or donor has already been subjected to the tax under chapter 82.08 RCW or this chapter and the tax has been paid by the present user or by his or her bailor or donor;

(ii) In respect to the use of any article of tangible personal property acquired by bailment and the tax has once been paid based on reasonable rental as determined by RCW 82.12.060 measured by the value of the article at time of first use multiplied by the tax rate imposed by chapter 82.08 RCW or this chapter as of the time of first use;

(iii) In respect to the use of any article of tangible personal property acquired by bailment, if the property was acquired by a previous bailee from the same bailor for use in the same general activity and the original bailment was prior to June 9, 1961; or

(iv) To the use of digital goods or digital automated services, which were obtained through the use of a digital code, if the sale of the digital code to, or the use of the digital code by, the present user or the present user's bailor or donor has already been subjected to the tax under chapter 82.08 RCW or this chapter and the tax has been paid by the present user or by the present user's bailor or donor.

(4) (a) Except as provided in (b) of this subsection (4), the tax is levied and must be collected in an amount equal to the value of the article used, value of the digital good or digital code used, value of the extended warranty used, or value of the service used by the taxpayer, multiplied by the applicable rates in effect for the retail sales tax under RCW 82.08.020.

(b) In the case of a seller required to collect use tax from the purchaser, the tax must be collected in an amount equal to the purchase price multiplied by the applicable rate in effect for the retail sales tax under RCW 82.08.020.

(5) For purposes of the tax imposed in this section, "person" includes anyone within the definition of "buyer," "purchaser," and "consumer" in RCW 82.08.010. [2017 c 323 § 520; 2015 c 169 § 6; 2010 1st sp.s. c 23 § 206; 2009 c 535 § 305; 2005 c 514 § 105. Prior: 2003 c 361 § 302; 2003 c 168 § 214; 2003 c 5 § 2; 2002 c 367 § 4; 1999 c

358 § 9; 1998 c 332 § 7; 1996 c 148 § 5; 1994 c 93 § 2; 1983 c 7 § 7; 1981 2nd ex.s. c 8 § 2; 1980 c 37 § 79; 1977 ex.s. c 324 § 3; 1975-'76 2nd ex.s. c 130 § 2; 1975-'76 2nd ex.s. c 1 § 2; 1971 ex.s. c 281 § 10; 1969 ex.s. c 262 § 32; 1967 ex.s. c 149 § 22; 1965 ex.s. c 173 § 18; 1961 c 293 § 9; 1961 c 15 § 82.12.020; prior: 1959 ex.s. c 3 § 10; 1955 ex.s. c 10 § 3; 1955 c 389 § 25; 1949 c 228 § 7; 1943 c 156 § 8; 1941 c 76 § 6; 1939 c 225 § 14; 1937 c 191 § 1; 1935 c 180 § 31; Rem. Supp. 1949 § 8370-31.]

Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323: See note following RCW 82.04.040.

Effective date—2015 c 169: See note following RCW 82.04.050.

Effective date—2010 1st sp.s. c 23: See note following RCW 82.32.655.

Findings—Intent—2010 1st sp.s. c 23: See notes following RCW 82.04.220.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Effective date—2005 c 514: See note following RCW 83.100.230.

Part headings not law—Severability—2005 c 514: See notes following RCW 82.12.808.

Effective dates—2003 c 361: See note following RCW 82.08.020.

Findings—2003 c 361: See note following RCW 82.38.030.

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Severability—Effective date—2002 c 367: See notes following RCW 82.04.060.

Effective date—1999 c 358 §§ 1 and 3-21: See note following RCW 82.04.3651.

Findings—Intent—Effective date—1998 c 332: See notes following RCW 82.04.29001.

Severability—Effective date—1996 c 148: See notes following RCW 82.04.050.

Effective date—1994 c 93: See note following RCW 82.12.010.

Construction—Severability—Effective dates—1983 c 7: See notes following RCW 82.08.020.

Intent—1980 c 37: See note following RCW 82.04.4281.

Effective date—1975-'76 2nd ex.s. c 130: See note following RCW 82.08.020.

Application to preexisting contracts—1975-'76 2nd ex.s. c 1: See note following RCW 82.12.010.

Severability—1975-'76 2nd ex.s. c 1: See note following RCW 82.12.010.

High capacity transportation systems—Sales and use tax: RCW 81.104.170.

RCW 82.12.0201 Dedication of taxes—Comprehensive performance audits. Beginning on December 8, 2005, 0.16 percent of the taxes collected under RCW 82.12.020 based on the rate in RCW 82.08.020(1) shall be dedicated to funding comprehensive performance audits under RCW 43.09.470. Revenue identified in this section shall be deposited in the performance audits of government account created in RCW 43.09.475. [2006 c 1 § 4 (Initiative Measure No. 900, approved November 8, 2005).]

Short title—Effective date—2006 c 1 (Initiative Measure No. 900): See RCW 43.09.471.

Policies and purposes—Construction—Severability—Part headings not law—2006 c 1 (Initiative Measure No. 900): See notes following RCW 43.09.470.

RCW 82.12.0203 Refinery fuel gas—Value—Tax rate—Local use tax exemption. (1) The value of the article used with respect to refinery fuel gas under this chapter is the most recent monthly United States natural gas wellhead price, as published by the federal energy information administration.

(2) In lieu of the use tax rate provided in RCW 82.12.020, refinery fuel gas is subject to a rate of:

(a) 0.963 percent from January 1, 2018, through December 31, 2018;

(b) 1.926 percent from January 1, 2019, through December 31, 2019;

(c) 2.889 percent from January 1, 2020, through December 31, 2020; and

(d) 3.852 percent from January 1, 2021, and thereafter.

(3) The use of fuel by the extractor or manufacturer thereof when used directly in the operation of the particular extractive operation or manufacturing plant that produced or manufactured the same is not subject to local use tax. [2017 3rd sp.s. c 28 § 108.]

Reviser's note: The tax preference enacted in section 108, chapter 28, Laws of 2017 3rd sp. sess. and the effective date for that section subsequently amended by section 2, chapter 92, Laws of 2018 expires January 1, 2029, pursuant to the automatic expiration date established in RCW 82.32.805(1)(a).

Tax preference performance statement—2018 c 92: "(1) This section is the tax preference performance statement for the tax preference contained in section 108, chapter 28, Laws of 2017 3rd sp. sess. This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers and improve industry competitiveness, as indicated in RCW 82.32.808(2) (a) and (b).

(3) If a review finds that there is an increase in self-produced fuel as the result of this tax preference, then the legislature intends to extend the expiration date of this tax preference.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to any data collected by the state." [2018 c 92 § 1.]

Application—2017 3rd sp.s. c 28 §§ 107-109: See note following RCW 82.12.0263.

Existing rights and liability—Severability—Application—Effective dates—2017 3rd sp.s. c 28: See notes following RCW 82.08.0531.

RCW 82.12.0205 Exemptions—Waste vegetable oil. The provisions of this chapter do not apply with respect to the use of waste vegetable oil that is used by a person in the production of biodiesel for personal use. The definitions in RCW 82.08.0205 apply to this section. [2008 c 237 § 3.]

Effective date—2008 c 237: See note following RCW 82.08.0205.

RCW 82.12.0207 Exemptions—Adapted housing—Disabled veterans—Construction. (1) An eligible purchaser who has paid the tax levied by RCW 82.12.020 on materials incorporated as an ingredient or component of adapted housing is eligible for an exemption from all or a portion of that tax in the form of a remittance.

(2) All of the eligibility requirements, conditions, limitations, and definitions in RCW 82.08.0207 apply to this section. [2017 c 176 § 3.]

Findings—Intent—Application—2017 c 176: See notes following RCW 82.08.0207.

RCW 82.12.0208 Exemptions—Digital codes. (1) The provisions of this chapter do not apply in respect to the use of a digital code for one or more digital products, if the use of the digital products to which the digital code relates is exempt from the tax levied by RCW 82.12.020.

(2) The provisions of this chapter do not apply to the use by a business or other organization of digital goods, digital codes,

digital automated services, or services defined as a retail sale in RCW 82.04.050(6)(c) for the purpose of making the digital good or digital automated service, including a digital good or digital automated service acquired through the use of a digital code, or service defined as a retail sale in RCW 82.04.050(6)(c) available free of charge for the use or enjoyment of the general public. For purposes of this subsection (2), "general public" has the same meaning as in RCW 82.08.0208. The exemption provided in this subsection (2) does not apply unless the user has the legal right to broadcast, rebroadcast, transmit, retransmit, license, relicense, distribute, redistribute, or exhibit the product, in whole or in part, to the general public.

(3) The provisions of this chapter do not apply to the use by students of digital goods furnished by a public or private elementary or secondary school, or an institution of higher education as defined in section 1001 or 1002 of the federal higher education act of 1965 (Title 20 U.S.C. Secs. 1001 and 1002), as existing on July 1, 2009.

(4)(a) The provisions of this chapter do not apply in respect to the use of digital goods that are:

(i) Of a noncommercial nature, such as personal email communications;

(ii) Created solely for an internal audience; or

(iii) Created solely for the business needs of the person who created the digital good, including business email communications, but not including the type of digital good that is offered for sale.

(b) This subsection (4) does not apply to the use of any digital goods purchased by the user, the user's donor, or anybody on the user's behalf.

(5) The provisions of this chapter do not apply in respect to the use of digital products or digital codes obtained by the end user free of charge.

(6) The provisions of this chapter do not apply to the use by a business of digital goods, and services rendered in respect to digital goods, where the digital goods and services rendered in respect to digital goods are used solely for business purposes. The exemption provided by this subsection (6) also applies to the use by a business of a digital code if all of the digital goods to be obtained through the use of the code will be used solely for business purposes. For purposes of this subsection (6), the definitions in RCW 82.08.0208 apply.

(7)(a) A business or other organization subject to the tax imposed in RCW 82.12.020 on the use of digital goods, digital codes, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) that are concurrently available for use within and outside this state is entitled to apportion the amount of tax due this state based on users in this state compared to users everywhere. The department may authorize or require an alternative method of apportionment supported by the taxpayer's records that fairly reflects the proportion of in-state to out-of-state use by the taxpayer of the digital goods, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c).

(b) No apportionment under this subsection (7) is allowed unless the apportionment method is supported by the taxpayer's records kept in the ordinary course of business.

(c) For purposes of this subsection (7), the following definitions apply:

(i) "Concurrently available for use within and outside this state" means that employees or other agents of the taxpayer may use the digital goods, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) simultaneously at one or more locations within this state and one or more locations outside this state. A digital code is concurrently available for use within and outside this state if employees or other agents of the taxpayer may use the digital goods or digital automated services to be obtained by the code simultaneously at one or more locations within this state and one or more locations outside this state; and

(ii) "User" means an employee or agent of the taxpayer who is authorized by the taxpayer to use the digital goods, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) in the performance of his or her duties as an employee or other agent of the taxpayer.

(8)(a) Except as provided in (b) of this subsection (8), the provisions of this chapter do not apply to the use of audio or video programming provided by a radio or television broadcaster.

(b)(i) Except as provided in (b)(ii) of this subsection (8), the exemption provided in this subsection (8) does not apply in respect to programming that is sold on a pay-per-program basis or that allows the buyer to access a library of programs at any time for a specific charge for that service.

(ii) The exemption provided in this subsection (8) applies to the sale of programming described in (b)(i) of this subsection (8) if the seller is subject to a franchise fee in this state under the authority of Title 47 U.S.C. Sec. 542(a) on the gross revenue derived from the sale.

(c) For purposes of this subsection (8), "radio or television broadcaster" includes satellite radio providers, satellite television providers, cable television providers, providers of subscription internet television, and persons who provide radio or television broadcasting to listeners or viewers for no charge. [2020 c 139 § 18; 2009 c 535 § 601.]

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

RCW 82.12.02088 Exemptions—Digital products—Business buyers—Concurrently available for use within and outside state—Apportionment. (1) A business or other organization subject to the tax imposed in RCW 82.12.020 on the use of digital goods, digital codes, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) that are concurrently available for use within and outside this state is entitled to apportion the amount of tax due this state based on users in this state compared to users everywhere. The department may authorize or require an alternative method of apportionment supported by the taxpayer's records that fairly reflects the proportion of in-state to out-of-state use by the taxpayer of the digital goods, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c).

(2) No apportionment under this section is allowed unless the apportionment method is supported by the taxpayer's records kept in the ordinary course of business.

(3) For purposes of this section, the following definitions apply:

(a) "Concurrently available for use within and outside this state" means that employees or other agents of the taxpayer may use the digital goods, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) simultaneously at one or more locations within this state and one or more locations outside this state. A digital code is concurrently available for use within and outside this state if employees or other agents of the taxpayer may use the digital goods or digital automated services to be obtained by the code simultaneously at one or more locations within this state and one or more locations outside this state.

(b) "User" means an employee or agent of the taxpayer who is authorized by the taxpayer to use the digital goods, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) in the performance of his or her duties as an employee or other agent of the taxpayer. [2017 c 323 § 522; 2009 c 535 § 702.]

Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323: See note following RCW 82.04.040.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

RCW 82.12.022 Natural or manufactured gas—Use tax imposed—Exemption. (Contingent expiration date.) (1) A use tax is levied on every person in this state for the privilege of using natural gas or manufactured gas, including compressed natural gas and liquefied natural gas, within this state as a consumer.

(2) The tax must be levied and collected in an amount equal to the value of the article used by the taxpayer multiplied by the rate in effect for the public utility tax on gas distribution businesses under RCW 82.16.020. The "value of the article used" does not include any amounts that are paid for the hire or use of a gas distribution business as defined in RCW 82.16.010(2) in transporting the gas subject to tax under this subsection if those amounts are subject to tax under that chapter.

(3) The tax levied in this section does not apply to the use of natural or manufactured gas delivered to the consumer by other means than through a pipeline.

(4) The tax levied in this section does not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under RCW 82.16.020 with respect to the gas for which exemption is sought under this subsection.

(5)(a) The tax levied in this section does not apply to the use of natural or manufactured gas by an aluminum smelter as that term is defined in RCW 82.04.217 before January 1, 2027.

(b) A person claiming the exemption provided in this subsection (5) must file a complete annual tax performance report with the department under RCW 82.32.534.

(6) The tax imposed by this section does not apply to the use of natural gas, compressed natural gas, or liquefied natural gas, if the consumer uses the gas for transportation fuel as defined in RCW 82.16.310.

(7) The tax levied in this section does not apply to the use of natural or manufactured gas by a silicon smelter as that term is defined in RCW 82.16.315.

(8) There is a credit against the tax levied under this section in an amount equal to any tax paid by:

(a) The person who sold the gas to the consumer when that tax is a gross receipts tax similar to that imposed pursuant to RCW 82.16.020 by another state with respect to the gas for which a credit is sought under this subsection; or

(b) The person consuming the gas upon which a use tax similar to the tax imposed by this section was paid to another state with respect to the gas for which a credit is sought under this subsection.

(9) The use tax imposed in this section must be paid by the consumer to the department.

(10) There is imposed a reporting requirement on the person who delivered the gas to the consumer to make a quarterly report to the department. Such report must contain the volume of gas delivered, name of the consumer to whom delivered, and such other information as the department may require by rule.

(11) The department may adopt rules under chapter 34.05 RCW for the administration and enforcement of sections 1 through 6, chapter 384, Laws of 1989. [2017 3rd sp.s. c 37 § 707; (2017 3rd sp.s. c 37 § 706 expired January 1, 2018); 2017 c 135 § 27; 2015 3rd sp.s. c 6 § 506; 2014 c 216 § 304; 2011 c 174 § 304. Prior: 2010 1st sp.s. c 2 § 5; 2010 c 114 § 127; 2006 c 182 § 5; 2004 c 24 § 12; 1994 c 124 § 9; 1989 c 384 § 3.]

Contingent expiration date—2017 3rd sp.s. c 37 §§ 701-708: See note following RCW 82.32.537.

Findings—Intent—Tax preference performance statement—2017 3rd sp.s. c 37 §§ 701-708: See note following RCW 82.16.315.

Effective date—2017 3rd sp.s. c 37 §§ 101-104, 403, 503, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 703, 705, 707, and 801-803: See note following RCW 82.04.2404.

Effective date—2017 c 135: See note following RCW 82.32.534.

Effective dates—2015 3rd sp.s. c 6: See note following RCW 82.04.4266.

Findings—Tax preference performance statement—2015 3rd sp.s. c 6 §§ 502-506: See note following RCW 82.04.2909.

Effective date—Findings—Tax preference performance statement—2014 c 216: See notes following RCW 82.38.030.

Application—Finding—Intent—2010 c 114: See notes following RCW 82.32.534.

Intent—Effective date—2004 c 24: See notes following RCW 82.04.2909.

Intent—1989 c 384: "Due to a change in the federal regulations governing the sale of brokered natural gas, cities have lost significant revenues from the utility tax on natural gas. It is therefore the intent of the legislature to adjust the utility and use tax authority of the state and cities to maintain this revenue source for the municipalities and provide equality of taxation between intrastate and interstate transactions." [1989 c 384 § 1.]

Effective date—1989 c 384: "This act shall take effect July 1, 1990." [1989 c 384 § 7.]

RCW 82.12.022 Natural or manufactured gas—Use tax imposed—Exemption. (Contingent effective date.) (1) A use tax is levied on every person in this state for the privilege of using natural gas or manufactured gas, including compressed natural gas and liquefied natural gas, within this state as a consumer.

(2) The tax must be levied and collected in an amount equal to the value of the article used by the taxpayer multiplied by the rate in effect for the public utility tax on gas distribution businesses under RCW 82.16.020. The "value of the article used" does not include any amounts that are paid for the hire or use of a gas distribution business as defined in RCW 82.16.010(2) in transporting the gas subject to tax under this subsection if those amounts are subject to tax under that chapter.

(3) The tax levied in this section does not apply to the use of natural or manufactured gas delivered to the consumer by other means than through a pipeline.

(4) The tax levied in this section does not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under RCW 82.16.020 with respect to the gas for which exemption is sought under this subsection.

(5)(a) The tax levied in this section does not apply to the use of natural or manufactured gas by an aluminum smelter as that term is defined in RCW 82.04.217 before January 1, 2027.

(b) A person claiming the exemption provided in this subsection (5) must file a complete annual tax performance report with the department under RCW 82.32.534.

(6) The tax imposed by this section does not apply to the use of natural gas, compressed natural gas, or liquefied natural gas, if the consumer uses the gas for transportation fuel as defined in RCW 82.16.310.

(7) There is a credit against the tax levied under this section in an amount equal to any tax paid by:

(a) The person who sold the gas to the consumer when that tax is a gross receipts tax similar to that imposed pursuant to RCW 82.16.020 by another state with respect to the gas for which a credit is sought under this subsection; or

(b) The person consuming the gas upon which a use tax similar to the tax imposed by this section was paid to another state with respect to the gas for which a credit is sought under this subsection.

(8) The use tax imposed in this section must be paid by the consumer to the department.

(9) There is imposed a reporting requirement on the person who delivered the gas to the consumer to make a quarterly report to the department. Such report must contain the volume of gas delivered, name of the consumer to whom delivered, and such other information as the department may require by rule.

(10) The department may adopt rules under chapter 34.05 RCW for the administration and enforcement of sections 1 through 6, chapter 384, Laws of 1989. [2017 c 135 § 27; 2015 3rd sp.s. c 6 § 506; 2014 c 216 § 304; 2011 c 174 § 304. Prior: 2010 1st sp.s. c 2 § 5; 2010 c 114 § 127; 2006 c 182 § 5; 2004 c 24 § 12; 1994 c 124 § 9; 1989 c 384 § 3.]

Effective date—2017 c 135: See note following RCW 82.32.534.

Effective dates—2015 3rd sp.s. c 6: See note following RCW 82.04.4266.

Findings—Tax preference performance statement—2015 3rd sp.s. c 6 §§ 502-506: See note following RCW 82.04.2909.

Effective date—Findings—Tax preference performance statement—2014 c 216: See notes following RCW 82.38.030.

Application—Finding—Intent—2010 c 114: See notes following RCW 82.32.534.

Intent—Effective date—2004 c 24: See notes following RCW 82.04.2909.

Intent—1989 c 384: "Due to a change in the federal regulations governing the sale of brokered natural gas, cities have lost significant revenues from the utility tax on natural gas. It is therefore the intent of the legislature to adjust the utility and use tax authority of the state and cities to maintain this revenue source for the municipalities and provide equality of taxation between intrastate and interstate transactions." [1989 c 384 § 1.]

Effective date—1989 c 384: "This act shall take effect July 1, 1990." [1989 c 384 § 7.]

RCW 82.12.023 Natural or manufactured gas, exempt from use tax imposed by RCW 82.12.020. The tax levied by RCW 82.12.020 shall not apply in respect to the use of natural or manufactured gas that is taxable under RCW 82.12.022. [1994 c 124 § 10; 1989 c 384 § 5.]

Intent—Effective date—1989 c 384: See notes following RCW 82.12.022.

RCW 82.12.024 Deferral of use tax on certain users of natural or manufactured gas. (1) Unless the context clearly requires otherwise, the definitions in this subsection apply throughout this section.

(a) "Direct service industrial customer" means a person who is an industrial customer that contracts for the purchase of power from the Bonneville Power Administration for direct consumption as of May 8, 2001. "Direct service industrial customer" includes a person who is a subsidiary that is more than fifty percent owned by a direct service industrial customer and who receives power from the Bonneville Power Administration pursuant to the parent's contract for power.

(b) "Facility" means a gas turbine electrical generation facility that does not exist on May 8, 2001, and is owned by a direct service industrial customer for the purpose of producing electricity to be consumed by the direct service industrial customer.

(c) "Average annual employment" means the total employment in this state for a calendar year at the direct service industrial customer's location where electricity from the facility will be consumed.

(2) Effective July 1, 2001, the tax levied in RCW 82.12.022 on the first sixty months' use of natural or manufactured gas by a direct service industrial customer that owns a facility shall be deferred. This deferral is limited to the tax on natural or manufactured gas used or consumed to generate electricity at the facility.

(3) Application for deferral shall be made by the direct service industrial customer before the first use of natural or manufactured gas. The application shall be in a form and manner prescribed by the department and shall include but is not limited to information regarding the location of the facility, the projected date of first use of natural or manufactured gas to generate electricity at the facility, the date construction is projected to begin or did begin, the applicant's average annual employment in the state for the six calendar years immediately preceding the year in which the application is made, and shall affirm the applicant's status as a direct service industrial customer. The department shall rule on the application within thirty days of receipt.

(4) (a) The direct service industrial customer shall begin paying the deferred tax in the sixth calendar year following the calendar year in which the month of first use of natural or manufactured gas to generate electricity at the facility occurs. The first payment will be due on or before December 31st with subsequent annual payments due on or before December 31st of the following four years according to the following schedule:

<u>Payment Year</u>	<u>% of Deferred Tax to be Paid</u>
1	10%
2	15%
3	20%
4	25%
5	30%

(b) The department may authorize an accelerated payment schedule upon request of the taxpayer.

(c) Interest shall not be charged on the tax deferred under this section for the period of deferral, although all other penalties and interest applicable to delinquent excise taxes may be assessed and imposed. The debt for deferred tax will not be extinguished by

insolvency or other failure of the direct service industrial customer. Transfer of ownership of the facility does not affect deferral eligibility. However, the deferral is available to the successor only if the eligibility conditions of this section are met.

(5) (a) If the average of the direct service industrial customer's average annual employment for the five calendar years subsequent to the calendar year containing the first month of use of natural or manufactured gas to generate electricity at a facility is equal to or exceeds the six-year average annual employment stated on the application for deferral under this section, the tax deferred need not be paid. The direct service industrial customer shall certify to the department by June 1st of the sixth calendar year following the calendar year in which the month of first use of gas occurs the average annual employment for each of the five prior calendar years.

(b) If the five-year average calculated in (a) of this subsection is less than the average annual employment stated on the application for deferral under this section, the tax deferred under this section shall be paid in the amount as follows:

<u>Decrease in Average Annual Employment Over Five-Year Period</u>	<u>% of Deferred Tax to be Paid</u>
Less than 10%	10%
10% or more but less than 25%	25%
25% or more but less than 50%	50%
50% or more but less than 75%	75%
75% or more	100%

(c) Tax paid under this subsection shall be paid according to the schedule in subsection (4) (a) of this section and under the terms and conditions of subsection (4) (b) and (c) of this section.

(6) The employment security department shall make, and certify to the department of revenue, all determinations of employment under this section as requested by the department.

(7) A person claiming this deferral shall supply to the department quarterly reports containing information necessary to document the total volume of natural or manufactured gas purchased in the quarter, the value of that total volume, and the percentage of the total volume used to generate electricity at the facility. [2001 c 214 § 10.]

Severability—Effective date—2001 c 214: See notes following RCW 80.50.010.

Findings—2001 c 214: See note following RCW 39.35.010.

RCW 82.12.0251 Exemptions—Use of tangible personal property by nonresident while temporarily within state—Use of household goods, personal effects, and private motor vehicles acquired in another state while resident of other state—Use of certain warranties. The provisions of this chapter do not apply in respect to the use:

(1) Of any article of tangible personal property or any digital good or digital code, and any services that were rendered in respect to such property, brought into the state of Washington by a nonresident thereof for his or her use or enjoyment while temporarily

within the state of Washington unless such property is used in conducting a nontransitory business activity within the state of Washington;

(2) By a nonresident of Washington of a motor vehicle or trailer which is registered or licensed under the laws of the state of his or her residence, and which is not required to be registered or licensed under the laws of Washington, including motor vehicles or trailers exempt pursuant to a declaration issued by the department of licensing under RCW 46.85.060, and services rendered outside the state of Washington in respect to such property;

(3) Of household goods, including digital goods, and digital codes, personal effects, private motor vehicles, and services rendered in respect to such property, by a bona fide resident of Washington, or nonresident members of the armed forces who are stationed in Washington pursuant to military orders, if such articles and services were acquired and used by such person in another state while a bona fide resident thereof and such acquisition and use occurred more than ninety days prior to the time he or she entered Washington. For purposes of this subsection, private motor vehicles do not include motor homes;

(4) Of an extended warranty, to the extent that the property covered by the extended warranty is exempt under this section from the tax imposed under this chapter.

For purposes of this section, "state" means a state of the United States, any political subdivision thereof, the District of Columbia, and any foreign country or political subdivision thereof, and "services" means services defined as retail sales in RCW 82.04.050(2)(a) or (g). [2009 c 535 § 608; 2005 c 514 § 106; 2003 c 5 § 18; 1997 c 301 § 1; 1987 c 27 § 1; 1985 c 353 § 4; 1983 c 26 § 2; 1980 c 37 § 51. Formerly RCW 82.12.030(1).]

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Effective date—2005 c 514: See note following RCW 83.100.230.

Part headings not law—Severability—2005 c 514: See notes following RCW 82.12.808.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.02525 Exemptions—Sale of copied public records by state and local agencies. The provisions of this chapter do not apply with respect to the use of public records sold by state and local agencies, as the terms are defined in RCW 42.56.010, including public records transferred electronically that are obtained under a request for the record for which no fee is charged other than a statutorily set fee or a fee to reimburse the agency for its actual costs directly incident to the copying. A request for a record includes a request for a document not available to the public but available to those persons who by law are allowed access to the document, such as requests for fire reports, law enforcement reports, taxpayer information, and

academic transcripts. [2011 c 60 § 50; 2009 c 535 § 609; 1996 c 63 § 2.]

Effective date—2011 c 60: See RCW 42.17A.919.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Effective date—1996 c 63: See note following RCW 82.08.02525.

RCW 82.12.0253 Exemptions—Use of tangible personal property taxable under chapter 82.16 RCW. The provisions of this chapter shall not apply in respect to the use of any article of tangible personal property the sale of which is specifically taxable under chapter 82.16 RCW. [1980 c 37 § 53. Formerly RCW 82.12.030(3).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0254 Exemptions—Use of airplanes, locomotives, railroad cars, or watercraft used in interstate or foreign commerce or outside state's territorial waters—Components—Use of vehicles in the transportation of persons or property across state boundaries—Conditions—Use of vehicle under trip permit to point outside state.

(1) The provisions of this chapter do not apply in respect to the use of:

(a) Any airplane used primarily in (i) conducting interstate or foreign commerce by transporting property or persons for hire or by performing services under a contract with the United States government or (ii) providing intrastate air transportation by a commuter air carrier as defined in RCW 82.08.0262;

(b) Any locomotive, railroad car, or watercraft used primarily in conducting interstate or foreign commerce by transporting property or persons for hire or used primarily in commercial deep sea fishing operations outside the territorial waters of the state;

(c) Tangible personal property that becomes a component part of any such airplane, locomotive, railroad car, or watercraft in the course of repairing, cleaning, altering, or improving the same; and

(d) Labor and services rendered in respect to such repairing, cleaning, altering, or improving.

(2) The provisions of this chapter do not apply in respect to the use by a nonresident of this state of any vehicle used exclusively in transporting persons or property across the boundaries of this state and in intrastate operations incidental thereto when such vehicle is registered in a foreign state and in respect to the use by a nonresident of this state of any vehicle so registered and used within this state for a period not exceeding fifteen consecutive days under such rules as the department must adopt. However, under circumstances determined to be justifiable by the department a second fifteen day period may be authorized consecutive with the first fifteen day period; and for the purposes of this exemption the term "nonresident" as used herein includes a user who has one or more places of business in this state as well as in one or more other states, but the exemption for nonresidents applies only to those vehicles which are

most frequently dispatched, garaged, serviced, maintained, and operated from the user's place of business in another state.

(3) The provisions of this chapter do not apply in respect to the use by the holder of a carrier permit issued by the interstate commerce commission or its successor agency of any vehicle whether owned by or leased with or without driver to the permit holder and used in substantial part in the normal and ordinary course of the user's business for transporting therein persons or property for hire across the boundaries of this state; and in respect to the use of any vehicle while being operated under the authority of a trip permit issued by the director of licensing pursuant to RCW 46.16A.320 and moving upon the highways from the point of delivery in this state to a point outside this state; and in respect to the use of tangible personal property which becomes a component part of any vehicle used by the holder of a carrier permit issued by the interstate commerce commission or its successor agency authorizing transportation by motor vehicle across the boundaries of this state whether such vehicle is owned by or leased with or without driver to the permit holder, in the course of repairing, cleaning, altering, or improving the same; also the use of labor and services rendered in respect to such repairing, cleaning, altering, or improving. [2015 c 86 § 306; 2010 c 161 § 905; 2009 c 503 § 2; 2003 c 5 § 3; 1998 c 311 § 7; 1995 c 63 § 2; 1980 c 37 § 54. Formerly RCW 82.12.030(4).]

Effective date—Intent—Legislation to reconcile chapter 161, Laws of 2010 and other amendments made during the 2010 legislative session—2010 c 161: See notes following RCW 46.04.013.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Effective date—1995 c 63: See note following RCW 82.08.0263.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0255 Exemptions—Nontaxable tangible personal property, warranties, and digital products. The provisions of this chapter do not apply in respect to the use of any article of tangible personal property, extended warranty, digital good, digital code, digital automated service, or other service which the state is prohibited from taxing under the Constitution of the state or under the Constitution or laws of the United States. [2009 c 535 § 610; 2005 c 514 § 107; 2003 c 5 § 4; 1980 c 37 § 55. Formerly RCW 82.12.030(5).]

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Effective date—2005 c 514: See note following RCW 83.100.230.

Part headings not law—Severability—2005 c 514: See notes following RCW 82.12.808.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0256 Exemptions—Use of motor vehicle and special fuel—Conditions. The provisions of this chapter do not apply in respect to the use of:

(1) Special fuel purchased in this state upon which a refund is obtained as provided in RCW 82.38.180(1)(b); and

(2) Motor vehicle and special fuel if:

(a) The fuel is used for the purpose of public transportation and the purchaser is entitled to a refund or an exemption under RCW 82.38.080(1)(f) and (g) or 82.38.180(3)(b); or

(b) The fuel is purchased by a private, nonprofit transportation provider certified under chapter 81.66 RCW and the purchaser is entitled to a refund or an exemption under RCW 82.38.080(1)(d) or 82.38.180(3)(a); or

(c) The fuel is purchased by a public transportation benefit area created under chapter 36.57A RCW or a county-owned ferry or county ferry district created under chapter 36.54 RCW for use in passenger-only ferry vessels; or

(d) The fuel is taxable under chapter 82.38 RCW. However, the use of motor vehicle and special fuel upon which a refund of the applicable fuel tax is obtained is not exempt under this subsection (2)(d) and the director of licensing must deduct from the amount of such tax to be refunded the amount of tax due under this chapter and remit the same each month to the department of revenue; or

(e) The fuel is purchased by a county-owned ferry for use in ferry vessels after June 30, 2013; or

(f) The fuel is purchased by the Washington state ferry system for use in a state-owned ferry after June 30, 2013. [2013 c 225 § 646; 2011 1st sp.s. c 16 § 5; 2007 c 223 § 10; 2005 c 443 § 6; 1998 c 176 § 5. Prior: 1983 1st ex.s. c 35 § 3; 1983 c 108 § 2; 1980 c 147 § 2; 1980 c 37 § 56. Formerly RCW 82.12.030(6).]

Effective date—2013 c 225: See note following RCW 82.38.010.

Effective date—2011 1st sp.s. c 16 §§ 1-15: See note following RCW 47.60.530.

Effective date—2007 c 223: See note following RCW 36.57A.220.

Finding—Intent—Effective date—2005 c 443: See notes following RCW 82.08.0255.

Intent—1983 1st ex.s. c 35: See note following RCW 82.08.0255.

Intent—1980 c 37: See note following RCW 82.04.4281.

Diesel, biodiesel, and aircraft fuel sales tax exemption for farmers:
RCW 82.12.865.

RCW 82.12.02565 Exemptions—Machinery and equipment used for manufacturing, research and development, or a testing operation. (1) The provisions of this chapter do not apply in respect to the use by a manufacturer or processor for hire of machinery and equipment used

directly in a manufacturing operation or research and development operation, to the use by a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to the use of labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(2) The definitions, conditions, and requirements in RCW 82.08.02565 apply to this section.

(3) This section does not apply to the use of (a) machinery and equipment used directly in the manufacturing, research and development, or testing of cannabis, useable cannabis, or cannabis-infused products, or (b) labor and services rendered in respect to installing, repairing, cleaning, altering, or improving such machinery and equipment.

(4) The exemptions in this section do not apply to an ineligible person as defined in RCW 82.08.02565. [2022 c 16 § 156; 2015 3rd sp.s. c 5 § 302. Prior: 2014 c 216 § 402; 2014 c 140 § 14; 2003 c 5 § 5; 1999 c 211 § 6; 1998 c 330 § 2; 1996 c 247 § 3; 1995 1st sp.s. c 3 § 3.]

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Construction—2017 c 323: See note following RCW 82.08.052.

Effective dates—2015 3rd sp.s. c 5: See note following RCW 82.08.052.

Application—Conflicting laws—2015 3rd sp.s. c 5: See notes following RCW 82.08.02565.

Effective date—Findings—Tax preference performance statement—2014 c 216: See notes following RCW 82.38.030.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Finding—Intent—1999 c 211: See note following RCW 82.08.02565.

Findings—Intent—1996 c 247: See note following RCW 82.08.02566.

Findings—Effective date—1995 1st sp.s. c 3: See notes following RCW 82.08.02565.

RCW 82.12.025651 Exemptions—Use of machinery and equipment by public research institutions. (1) The provisions of this chapter do not apply in respect to the use by a public research institution of machinery and equipment used primarily in a research and development operation, or to the use of labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(2) The definitions in RCW 82.08.025651 apply to this section.

(3) A public research institution receiving the benefit of the exemption provided in this section must file a complete annual tax performance report with the department under RCW 82.32.534. [2017 c 135 § 28; 2011 c 23 § 5.]

Effective date—2017 c 135: See note following RCW 82.32.534.

Findings—2011 c 23: See note following RCW 82.08.02565.

Effective date—Construction—2011 c 23: See notes following RCW 82.08.025651.

RCW 82.12.02566 Exemptions—Use of tangible personal property incorporated in prototype for aircraft parts, auxiliary equipment, and aircraft modification—Limitations on yearly exemption. (1) The provisions of this chapter shall not apply with respect to the use of tangible personal property incorporated into a prototype for aircraft parts, auxiliary equipment, or modifications; or in respect to the use of tangible personal property that at one time is incorporated into the prototype but is later destroyed in the testing or development of the prototype.

(2) This exemption does not apply in respect to the use of tangible personal property by any person whose total taxable amount during the immediately preceding calendar year exceeds twenty million dollars. For purposes of this section, "total taxable amount" means gross income of the business and value of products manufactured, less any amounts for which a credit is allowed under RCW 82.04.440.

(3) State and local taxes for which an exemption is received under this section and RCW 82.08.02566 shall not exceed one hundred thousand dollars for any person during any calendar year.

(4) Sellers obligated to collect use tax shall collect tax on sales subject to this exemption. The buyer shall apply for a refund directly from the department. [2003 c 168 § 209; 1997 c 302 § 2; 1996 c 247 § 5.]

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Effective date—1997 c 302: See note following RCW 82.08.02566.

Findings—Intent—1996 c 247: See note following RCW 82.08.02566.

RCW 82.12.025661 Exemptions—Aircraft maintenance repair—Building construction. (Expires January 1, 2027.) (1) The provisions of this chapter do not apply with respect to the use of:

(a) Tangible personal property that will be incorporated as an ingredient or component in constructing new buildings for: (i) An eligible maintenance repair operator; or (ii) a port district, political subdivision, or municipal corporation, to be leased to an eligible maintenance repair operator; or

(b) Labor and services rendered in respect to installing, during the course of constructing such buildings, building fixtures not otherwise eligible for the exemption under RCW 82.08.02565.

(2) The eligibility requirements, conditions, and definitions in RCW 82.08.025661 apply to this section, including the filing of a complete annual report with the department under RCW 82.32.534.

(3) This section expires January 1, 2027. [2016 c 191 § 3.]

Tax preference performance statement—2016 c 191 §§ 2 and 3: See note following RCW 82.08.025661.

Effective date—2016 c 191: See note following RCW 82.08.025661.

RCW 82.12.02568 Exemptions—Use of carbon and similar substances that become an ingredient or component of anodes or cathodes used in producing aluminum for sale. The provisions of this chapter shall not apply in respect to the use of carbon, petroleum coke, coal tar, pitch, and similar substances that become an ingredient or component of anodes or cathodes used in producing aluminum for sale. [1996 c 170 § 2.]

Effective date—1996 c 170: See note following RCW 82.08.02568.

RCW 82.12.02569 Exemptions—Use of tangible personal property related to a building or structure that is an integral part of a laser interferometer gravitational wave observatory. The provisions of this chapter shall not apply in respect to the use of tangible personal property by a consumer as defined in RCW 82.04.190(6) if the tangible personal property is incorporated into, installed in, or attached to a building or other structure that is an integral part of a laser interferometer gravitational wave observatory on which construction is commenced before December 1, 1996. [1996 c 113 § 2.]

Effective date—1996 c 113: See note following RCW 82.08.02569.

RCW 82.12.0257 Exemptions—Use of personal property of the operating property of a public utility by state or political subdivision. The provisions of this chapter do not apply in respect to the use of any article of personal property included within the transfer of the title to the entire operating property of a publicly or privately owned public utility, or of a complete operating integral section thereof, by the state or a political subdivision thereof in conducting any public service business as defined in RCW 82.16.010. For the purposes of this section, "operating property" includes digital goods and digital codes. [2010 c 106 § 220; 2009 c 535 § 611; 1980 c 37 § 57. Formerly RCW 82.12.030(7).]

Effective date—2010 c 106: See note following RCW 35.102.145.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0258 Exemptions—Use of personal property previously used in farming and purchased from farmer at auction. The provisions of this chapter do not apply in respect to the use of personal property (including household goods) that has been used in conducting a farm activity, if such property was purchased from a farmer as defined in RCW 82.04.213 at an auction sale held or conducted by an

auctioneer upon a farm and not otherwise. The exemption in this section does not apply to personal property used by the seller in the production of cannabis, useable cannabis, or cannabis-infused products. [2022 c 16 § 157; 2014 c 140 § 16; 2009 c 535 § 612; 1980 c 37 § 58. Formerly RCW 82.12.030(8).]

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0259 Exemptions—Use of personal property, digital automated services, or certain other services by federal corporations providing aid and relief. The provisions of this chapter do not apply in respect to the use of personal property or the use of digital automated services or services defined in RCW 82.04.050 (2)(a) or (6)(c) by corporations that have been incorporated under any act of the congress of the United States and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, flood, and other national calamities and to devise and carry on measures for preventing the same. [2017 c 323 § 523; 2009 c 535 § 613; 2003 c 5 § 7; 1980 c 37 § 59. Formerly RCW 82.12.030(9).]

Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323: See note following RCW 82.04.040.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.02595 Exemptions—Personal property and certain services donated to nonprofit organization or governmental entity.
(1) This chapter does not apply to the use by a nonprofit charitable organization or state or local governmental entity of personal property that has been donated to the nonprofit charitable organization or state or local governmental entity, or to the subsequent use of the property by a person to whom the property is donated or bailed in furtherance of the purpose for which the property was originally donated.

(2) This chapter does not apply to the donation of personal property without intervening use to a nonprofit charitable organization, or to the incorporation of tangible personal property without intervening use into real or personal property of or for a nonprofit charitable organization in the course of installing,

repairing, cleaning, altering, imprinting, improving, constructing, or decorating the real or personal property for no charge.

(3) This chapter does not apply to the use by a nonprofit charitable organization of labor and services rendered in respect to installing, repairing, cleaning, altering, imprinting, or improving personal property provided to the charitable organization at no charge, or to the donation of such services. [2015 c 169 § 7; 2009 c 535 § 615; 2004 c 155 § 1; 2003 c 5 § 11; 1998 c 182 § 1; 1995 c 201 § 1.]

Effective date—2015 c 169: See note following RCW 82.04.050.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Effective date—2004 c 155: "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 immediately [March 26, 2004]." [2004 c 155 § 2.]

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Effective date—1995 c 201: "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 shall take effect immediately [May 1, 1995]." [1995 c 201 § 2.]

RCW 82.12.0261 Exemptions—Use of livestock. The provisions of this chapter shall not apply in respect to the use of livestock, as defined in RCW 16.36.005, for breeding purposes where said animals are registered in a nationally recognized breed association; or to sales of cattle and milk cows used on the farm. [2001 c 118 § 5; 1980 c 37 § 60. Formerly RCW 82.12.030(10).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0262 Exemptions—Use of poultry for producing poultry and poultry products for sale. The provisions of this chapter shall not apply in respect to the use of poultry in the production for sale of poultry or poultry products. [1980 c 37 § 61. Formerly RCW 82.12.030(11).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0263 Exemptions—Use of fuel by extractor or manufacturer thereof. The provisions of this chapter do not apply in respect to the use of biomass fuel by the extractor or manufacturer thereof when used directly in the operation of the particular extractive operation or manufacturing plant which produced or manufactured the same. For purposes of this section, "biomass fuel" means wood waste and other wood residuals, including forest derived biomass, but does not include firewood or wood pellets. "Biomass fuel"

also includes partially organic by-products of pulp, paper, and wood manufacturing processes. [2017 3rd sp.s. c 28 § 107; 1980 c 37 § 62. Formerly RCW 82.12.030(12).]

Application—2017 3rd sp.s. c 28 §§ 107-109: "Sections 107 through 109 of this act apply with respect to fuel, other than biomass fuel, consumed within this state on or after *August 1, 2017, regardless of whether such fuel was produced or manufactured before *August 1, 2017. For purposes of this section, "consumed" means the use of fuel resulting in the release of usable energy." [2017 3rd sp.s. c 28 § 109.]

***Reviser's note:** 2017 3rd sp.s. c 28 § 605 was amended by 2018 c 92 § 2, changing the effective date of sections 107 through 109, chapter 28, Laws of 2017 3rd sp. sess. from August 1, 2017, to January 1, 2018.

Existing rights and liability—Severability—Application—Effective dates—2017 3rd sp.s. c 28: See notes following RCW 82.08.0531.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0264 Exemptions—Use of dual-controlled motor vehicles by school for driver training. The provisions of this chapter shall not apply in respect to the use of motor vehicles, equipped with dual controls, which are loaned to and used exclusively by a school in connection with its driver training program: PROVIDED, That this exemption and the term "school" shall apply only to (1) the University of Washington, Washington State University, the regional universities, The Evergreen State College and the state community colleges or (2) any public, private or parochial school accredited by either the state board of education or by the University of Washington (the state accrediting station) or (3) any public vocational school meeting the standards, courses and requirements established and prescribed or approved in accordance with the Community College Act of 1967 (chapter 8, Laws of 1967 first extraordinary session). [1980 c 37 § 63. Formerly RCW 82.12.030(13).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0265 Exemptions—Use by bailee of tangible personal property consumed in research, development, etc., activities. The provisions of this chapter shall not apply in respect to the use by a bailee of any article of tangible personal property which is entirely consumed in the course of research, development, experimental and testing activities conducted by the user, provided the acquisition or use of such articles by the bailor was not subject to the taxes imposed by chapter 82.08 RCW or chapter 82.12 RCW. [1980 c 37 § 64. Formerly RCW 82.12.030(14).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0266 Exemptions—Use by residents of motor vehicles and trailers acquired and used while members of the armed services and stationed outside the state. The provisions of this chapter shall not apply in respect to the use by residents of this state of motor vehicles and trailers acquired and used while such persons are members of the armed services and are stationed outside this state pursuant to military orders, but this exemption shall not apply to members of the armed services called to active duty for training purposes for periods of less than six months and shall not apply to the use of motor vehicles or trailers acquired less than thirty days prior to the discharge or release from active duty of any person from the armed services. [1980 c 37 § 65. Formerly RCW 82.12.030(15).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0267 Exemptions—Use of semen in artificial insemination of livestock. The provisions of this chapter shall not apply in respect to the use of semen in the artificial insemination of livestock. [1980 c 37 § 66. Formerly RCW 82.12.030(16).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0268 Exemptions—Use of form lumber by persons engaged in constructing, repairing, etc., structures for consumers. The provisions of this chapter shall not apply in respect to the use of form lumber by any person engaged in the constructing, repairing, decorating or improving of new or existing buildings or other structures under, upon or above real property of or for consumers: PROVIDED, That such lumber is used or to be used first by such person for the molding of concrete in a single such contract, project or job and is thereafter incorporated into the product of that same contract, project or job as an ingredient or component thereof. [1980 c 37 § 67. Formerly RCW 82.12.030(17).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.02685 Exemptions—Use of tangible personal property related to farmworker housing. (Expires January 1, 2032.) (1) The provisions of this chapter shall not apply in respect to the use of tangible personal property that becomes an ingredient or component of buildings or other structures, in which at least 50 percent of housing units in the development are used as farmworker housing, during the course of constructing, repairing, decorating, or improving the buildings or other structures by any person.

(2) The exemption provided in this section for farmworker housing provided on a year-round basis only applies if that housing is built to the current building code for single-family or multifamily dwellings according to the state building code, chapter 19.27 RCW.

(3) Any farmworker housing built under this section shall be used according to this section for at least five consecutive years from the date the housing is approved for occupancy, or the full amount of a tax otherwise due shall be immediately due and payable together with interest, but not penalties, from the date the housing is approved for

occupancy until the date of payment. If at any time farmworker housing ceases to be used in the manner specified in subsection (2) of this section, the full amount of tax otherwise due shall be immediately due and payable with interest, but not penalties, from the date the housing ceases to be used as farmworker housing until the date of payment.

(4) The exemption provided in this section shall not apply to housing built for the occupancy of an employer, family members of an employer, or persons owning stock or shares in a farm partnership or corporation business.

(5) If during any agricultural season in the qualifying five years under subsection (3) of this section the housing is occupied by a farmworker who does not have an H-2A visa, then the housing will be considered not to be exclusively built for workers on an H-2A visa.

(6) The definitions in RCW 82.08.02745(6) apply to this section.

(7) This section expires January 1, 2032. [2022 c 56 § 7; 2021 c 250 § 2; 1997 c 438 § 2; 1996 c 117 § 2.]

Tax preference performance statement—Effective date—2021 c 250:
See notes following RCW 82.08.02745.

Effective date—1997 c 438: See note following RCW 82.08.02745.

Effective date—1996 c 117: See note following RCW 82.08.02745.

RCW 82.12.0269 Exemptions—Use of sand, gravel, or rock to extent of labor and service charges for mining, sorting, crushing, etc., thereof from county or city quarry for public road purposes. The provisions of this chapter shall not apply in respect to the use of any sand, gravel, or rock to the extent of the cost of or charges made for labor and services performed in respect to the mining, sorting, crushing, screening, washing, hauling, and stockpiling such sand, gravel, or rock, when such sand, gravel, or rock is taken from a pit or quarry which is owned by or leased to a county or a city, and such sand, gravel, or rock is (1) either stockpiled in said pit or quarry for placement or is placed on the street, road, place, or highway of the county or city by the county or city itself, or (2) sold by the county or city to a county, or a city at actual cost for placement on a publicly owned street, road, place, or highway. The exemption provided for in this section shall not apply to the use of such material to the extent of the cost of or charge made for such labor and services, if the material is used for other than public road purposes or is sold otherwise than as provided for in this section. [1980 c 37 § 68. Formerly RCW 82.12.030(18).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0271 Exemptions—Use of wearing apparel only as a sample for display for sale. The provisions of this chapter shall not apply in respect to the use of wearing apparel only as a sample for display for the purpose of effecting sales of goods represented by such sample. [1980 c 37 § 69. Formerly RCW 82.12.030(19).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0272 Exemptions—Use of personal property in single trade shows. The provisions of this chapter do not apply in respect to the use of personal property held for sale and displayed in single trade shows for a period not in excess of thirty days, the primary purpose of which is to promote the sale of products or services. [2009 c 535 § 616; 1980 c 37 § 70. Formerly RCW 82.12.030(20).]

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0273 Exemptions—Use of pollen. The provisions of this chapter shall not apply in respect to the use of pollen. [1980 c 37 § 71. Formerly RCW 82.12.030(21).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0274 Exemptions—Use of tangible personal property by political subdivision resulting from annexation or incorporation. (Effective until January 1, 2030.) The provisions of this chapter do not apply in respect to:

- (1) The use of the personal property of one political subdivision by another political subdivision directly or indirectly arising out of or resulting from the annexation, merger, or incorporation of any part of the territory of one political subdivision by another; and
- (2) The use of the personal property of one political subdivision by another political subdivision pursuant to the terms of a contractual consolidation under which the taxpayers that originally paid a sales or use tax continue to benefit from the personal property. [2019 c 188 § 2; 1980 c 37 § 72. Formerly RCW 82.12.030(22).]

Tax preference performance statement exemption—Expiration date—2019 c 188: See notes following RCW 82.08.0278.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0274 Exemptions—Use of tangible personal property by political subdivision resulting from annexation or incorporation. (Effective January 1, 2030.) The provisions of this chapter shall not apply in respect to the use of the personal property of one political subdivision by another political subdivision directly or indirectly arising out of or resulting from the annexation or incorporation of any part of the territory of one political subdivision by another. [1980 c 37 § 72. Formerly RCW 82.12.030(22).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.02745 Exemptions—Use by free hospitals of certain items. (1) The provisions of this chapter shall not apply in respect

to the use by free hospitals of items reasonably necessary for the operation of, and provision of health care by, free hospitals.

(2) As used in this section, "free hospital" means a hospital that does not charge patients for health care provided by the hospital. [1993 c 205 § 2.]

Effective date—1993 c 205: See note following RCW 82.08.02795.

RCW 82.12.02747 Exemptions—Use of medical products by qualifying blood, tissue, or blood and tissue banks. (1) The provisions of this chapter do not apply in respect to the use of medical supplies, chemicals, or materials by a qualifying blood bank, a qualifying tissue bank, or a qualifying blood and tissue bank. The exemption in this section does not apply to the use of construction materials, office equipment, building equipment, administrative supplies, or vehicles.

(2) The definitions in RCW 82.04.324 and 82.08.02805 apply to this section. [2004 c 82 § 3; 1995 2nd sp.s. c 9 § 5.]

Effective date—1995 2nd sp.s. c 9: See note following RCW 84.36.035.

RCW 82.12.02748 Exemptions—Use of human blood, tissue, organs, bodies, or body parts for medical research or quality control testing. The provisions of this chapter shall not apply in respect to the use of human blood, tissue, organs, bodies, or body parts for medical research and quality control testing purposes. [1996 c 141 § 2.]

Effective date—1996 c 141: See note following RCW 82.08.02806.

RCW 82.12.02749 Exemptions—Use of medical supplies, chemicals, or materials by organ procurement organization. The tax levied by RCW 82.08.020 does not apply to the use of medical supplies, chemicals, or materials by an organ procurement organization exempt under RCW 82.04.326. The definitions of medical supplies, chemicals, and materials in RCW 82.08.02807 apply to this section. This exemption does not apply to the use of construction materials, office equipment, building equipment, administrative supplies, or vehicles. [2020 c 139 § 19; 2002 c 113 § 3.]

Effective date—2002 c 113: See note following RCW 82.04.326.

RCW 82.12.0275 Exemptions—Use of certain drugs or family planning devices. (1) The provisions of this chapter shall not apply in respect to the use of drugs dispensed or to be dispensed to patients, pursuant to a prescription, if the drugs are for human use.

(2) The provisions of this chapter shall not apply in respect to the use of drugs or devices used for family planning purposes, including the prevention of conception, for human use dispensed or to be dispensed to patients, pursuant to a prescription.

(3) The provisions of this chapter shall not apply in respect to the use of drugs or devices used for family planning purposes,

including the prevention of conception, for human use supplied by a family planning clinic that is under contract with the department of health to provide family planning services.

(4) As used in this section, "prescription" and "drug" have the same meanings as in RCW 82.08.0281. [2003 c 168 § 406; 1993 sp.s. c 25 § 309; 1980 c 37 § 73. Formerly RCW 82.12.030(23).]

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Severability—Effective dates—Part headings, captions not law—1993 sp.s. c 25: See notes following RCW 82.04.230.

Finding—1993 sp.s. c 25: See note following RCW 82.08.0281.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0276 Exemptions—Use of returnable containers for beverages and foods. The provisions of this chapter shall not apply in respect to the use of returnable containers for beverages and foods, including but not limited to soft drinks, milk, beer, and mixers. [1980 c 37 § 74. Formerly RCW 82.12.030(24).]

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0277 Exemptions—Certain medical items. (1) The provisions of this chapter shall not apply in respect to the use of:

(a) Prosthetic devices prescribed, fitted, or furnished for an individual by a person licensed under the laws of this state to prescribe, fit, or furnish prosthetic devices, and the components of such prosthetic devices;

(b) Medicines of mineral, animal, and botanical origin prescribed, administered, dispensed, or used in the treatment of an individual by a person licensed under chapter 18.36A RCW; and

(c) Medically prescribed oxygen, including, but not limited to, oxygen concentrator systems, oxygen enricher systems, liquid oxygen systems, and gaseous, bottled oxygen systems prescribed for an individual by a person licensed under chapter 18.57 or 18.71 RCW for use in the medical treatment of that individual.

(2) In addition, the provisions of this chapter shall not apply in respect to the use of labor and services rendered in respect to the repairing, cleaning, altering, or improving of any of the items exempted under subsection (1) of this section.

(3) The exemption provided by subsection (1) of this section shall not apply to the use of durable medical equipment, other than as specified in subsection (1)(c) of this section, or mobility enhancing equipment.

(4) "Prosthetic device," "durable medical equipment," and "mobility enhancing equipment" have the same meanings as in RCW 82.08.0283. [2007 c 6 § 1102; 2004 c 153 § 109. Prior: 2003 c 168 § 412; 2003 c 5 § 8; 2001 c 75 § 2; 1998 c 168 § 3; 1997 c 224 § 2; 1996 c 162 § 2; 1991 c 250 § 3; 1986 c 255 § 2; 1980 c 86 § 2; 1980 c 37 § 75. Formerly RCW 82.12.030(25).]

Part headings not law—Savings—Effective date—Severability—2007 c 6: See notes following RCW 82.32.020.

Findings—Intent—2007 c 6: See note following RCW 82.14.390.

Retroactive effective date—Effective date—2004 c 153: See note following RCW 82.08.0293.

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Effective date—2001 c 75: See note following RCW 82.08.0283.

Effective date—1998 c 168: See note following RCW 82.04.120.

Effective date—1997 c 224: See note following RCW 82.08.0283.

Effective date—1996 c 162: See note following RCW 82.08.0283.

Finding—Intent—1991 c 250: See note following RCW 82.08.0283.

Effective date—1986 c 255: See note following RCW 82.08.0283.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0279 Exemptions—Use of ferry vessels by the state or local governmental units—Components thereof. The provisions of this chapter shall not apply in respect to the use of ferry vessels of the state of Washington or of local governmental units in the state of Washington in transporting pedestrian or vehicular traffic within and outside the territorial waters of the state, in respect to the use of tangible personal property which becomes a component part of any such ferry vessel, and in respect to the use of labor and services rendered in respect to improving such ferry vessels. [2003 c 5 § 9; 1980 c 37 § 77. Formerly RCW 82.12.030(27).]

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Intent—1980 c 37: See note following RCW 82.04.4281.

RCW 82.12.0282 Exemptions—Use of vans as ride-sharing vehicles.
(1) The tax imposed by this chapter does not apply with respect to the use of passenger motor vehicles used primarily for ride sharing or ride sharing for persons with special transportation needs, as defined in RCW 46.74.010, if the vehicles are used as ride-sharing vehicles for thirty-six consecutive months beginning with the date of first use.

(2)(a) To qualify for the tax exemption, those passenger motor vehicles with three or more passengers, including the driver, used for

ride sharing, must be operated either within the state's eight largest counties that are required to develop commute trip reduction plans as directed by chapter 70A.15 RCW, in other counties, or cities and towns within those counties, that elect to adopt and implement a commute trip reduction plan, or in other counties where the vehicle is registered with or operated by a public transportation agency. Additionally at least one of the following conditions must apply: (i) The vehicle must be operated by a public transportation agency for the benefit of the general public; or (ii) the vehicle must be used by a major employer, as defined in RCW 70A.15.4010 as an element of its commute trip reduction program for their employees; or (iii) the vehicle must be owned and operated by individual employees and must be registered either with the employer as part of its commute trip reduction program or with a public transportation agency. Individual employee owned and operated motor vehicles will require certification that the vehicle is registered with a major employer or a public transportation agency. Major employers who own and operate motor vehicles for their employees must certify that the ride-sharing arrangement conforms to a carpool/vanpool element contained within their commute trip reduction program.

(b) Notwithstanding the ridership requirements under (a) of this subsection (2), unless the vehicle is operated by a public transportation agency, the vehicle must be used for ride sharing in the transport of at least five passengers. [2021 c 135 § 7; 2020 c 20 § 1477; 2014 c 97 § 504; 2001 c 320 § 5; 1999 c 358 § 11; 1996 c 88 § 4; 1993 c 488 § 4; 1980 c 166 § 2.]

Effective date—2021 c 135: See note following RCW 46.18.285.

Effective date—2001 c 320: See note following RCW 11.02.005.

Effective date—1999 c 358 §§ 1 and 3-21: See note following RCW 82.04.3651.

Construction—1996 c 88: "This act shall not be construed as affecting any existing right acquired or liability or obligation incurred under the sections amended or repealed in this act or under any rule or order adopted under those sections, nor as affecting any proceeding instituted under those sections." [1996 c 88 § 5.]

Severability—1996 c 88: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1996 c 88 § 6.]

Effective date—1996 c 88: "This act shall take effect July 1, 1996." [1996 c 88 § 7.]

Finding—Annual recertification rule—Report—1993 c 488: See notes following RCW 82.08.0287.

Severability—1980 c 166: See note following RCW 82.08.0287.

Ride-sharing vehicles—Special plates: RCW 46.18.285.

RCW 82.12.0283 Exemptions—Use of certain irrigation equipment.

The provisions of this chapter do not apply to the use of irrigation equipment if:

- (1) The irrigation equipment was purchased by the lessor for the purpose of irrigating land controlled by the lessor;
- (2) The lessor has paid tax under RCW 82.08.020 or 82.12.020 in respect to the irrigation equipment;
- (3) The irrigation equipment is attached to the land in whole or in part;
- (4) The irrigation equipment is not used in the production of cannabis; and
- (5) The irrigation equipment is leased to the lessee as an incidental part of the lease of the underlying land to the lessee and is used solely on such land. [2022 c 16 § 158; 2014 c 140 § 21; 1983 1st ex.s. c 55 § 6.]

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Effective dates—1983 1st ex.s. c 55: See note following RCW 82.08.010.

RCW 82.12.0284 Exemptions—Use of computers or computer components, accessories, software, digital goods, or digital codes donated to schools or colleges. The provisions of this chapter do not apply in respect to the use of computers, computer components, computer accessories, computer software, digital goods, or digital codes, irrevocably donated to any public or private nonprofit school or college, as defined under chapter 84.36 RCW, in this state. For purposes of this section, "computer" and "computer software" have the same meaning as in RCW 82.04.215. [2009 c 535 § 617; 2007 c 54 § 15; 2003 c 168 § 603; 1983 1st ex.s. c 55 § 7.]

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Severability—2007 c 54: See note following RCW 82.04.050.

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Effective dates—1983 1st ex.s. c 55: See note following RCW 82.08.010.

RCW 82.12.02915 Exemptions—Use of items by health or social welfare organizations for alternative housing for youth in crisis. The provisions of this chapter shall not apply in respect to the use of any item acquired by a health or social welfare organization, as defined in RCW 82.04.431, of items necessary for new construction of alternative housing for youth in crisis, so long as the facility will be a licensed agency under chapter 74.15 RCW, upon completion. [1998 c 183 § 2; 1997 c 386 § 57; 1995 c 346 § 2.]

Effective date—1997 c 386 §§ 56, 57: See note following RCW 82.08.02915.

Effective date—1995 c 346: See note following RCW 82.08.02915.

Youth in crisis—Definition—Limited purpose: RCW 82.08.02917.

RCW 82.12.0293 Exemptions—Use of food and food ingredients.

(1) The provisions of this chapter do not apply in respect to the use of food and food ingredients for human consumption. "Food and food ingredients" has the same meaning as in RCW 82.08.0293.

(2) The exemption of "food and food ingredients" provided for in subsection (1) of this section does not apply to prepared food, soft drinks, bottled water, or dietary supplements. "Prepared food," "soft drinks," "bottled water," and "dietary supplements" have the same meanings as in RCW 82.08.0293.

(3) Notwithstanding anything in this section to the contrary, the exemption of "food and food ingredients" provided in this section applies to food and food ingredients which are furnished, prepared, or served as meals:

(a) Under a state administered nutrition program for the aged as provided for in the older Americans act (P.L. 95-478 Title III) and RCW 74.38.040(6);

(b) Which are provided to senior citizens, individuals with disabilities, or low-income persons by a nonprofit organization organized under chapter 24.03A or 24.12 RCW; or

(c) That are provided to residents, sixty-two years of age or older, of a qualified low-income senior housing facility by the lessor or operator of the facility. The sale of a meal that is billed to both spouses of a marital community or both domestic partners of a domestic partnership meets the age requirement in this subsection (3)(c) if at least one of the spouses or domestic partners is at least sixty-two years of age. For purposes of this subsection, "qualified low-income senior housing facility" has the same meaning as in RCW 82.08.0293. [2021 c 176 § 5250; 2017 3rd sp.s. c 28 § 102; 2011 c 2 § 303 (Initiative Measure No. 1107, approved November 2, 2010); 2010 1st sp.s. c 23 § 903; 2009 c 483 § 4; 2003 c 168 § 303; 1988 c 103 § 2; 1986 c 182 § 2; 1985 c 104 § 2; 1982 1st ex.s. c 35 § 34.]

Effective date—2021 c 176: See note following RCW 24.03A.005.

Existing rights and liability—Severability—Application—

Effective dates—2017 3rd sp.s. c 28: See notes following RCW 82.08.0531.

Findings—Construction—2011 c 2 (Initiative Measure No. 1107): See notes following RCW 82.08.0293.

Effective date—2010 1st sp.s. c 23: See note following RCW 82.04.4292.

Findings—Intent—2010 1st sp.s. c 23: See notes following RCW 82.04.220.

Finding—Intent—Effective date—2009 c 483: See notes following RCW 82.08.0293.

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Effective date—1988 c 103: See note following RCW 82.08.0293.

Severability—Effective dates—1982 1st ex.s. c 35: See notes following RCW 82.08.020.

RCW 82.12.0294 Exemptions—Use of feed for cultivating or raising fish for sale. The provisions of this chapter shall not apply in respect to the use of feed by persons for the cultivating or raising for sale of fish entirely within confined rearing areas on the person's own land or on land in which the person has a present right of possession. [1985 c 148 § 4.]

RCW 82.12.0296 Exemptions—Use of feed consumed by livestock at a public livestock market. The provisions of this chapter shall not apply with respect to the use of feed consumed by livestock at a public livestock market. [1986 c 265 § 2.]

RCW 82.12.0297 Exemptions—Use of food purchased under the supplemental nutrition assistance program. (1) The provisions of this chapter do not apply with respect to the use of eligible foods that are purchased with benefits under the supplemental nutrition assistance program or successor program, notwithstanding anything to the contrary in RCW 82.12.0293.

(2) The definitions in RCW 82.08.0297 apply to this section. [2011 c 174 § 104; 1998 c 79 § 19; 1987 c 28 § 2.]

Effective date—1987 c 28: See note following RCW 82.08.0297.

RCW 82.12.0298 Exemptions—Use of diesel fuel in operating watercraft in commercial deep sea fishing or commercial passenger fishing boat operations outside the state. The provisions of this chapter shall not apply with respect to the use of diesel fuel in the operation of watercraft in commercial deep sea fishing operations or commercial passenger fishing boat operations by persons who are regularly engaged in the business of commercial deep sea fishing or commercial passenger fishing boat operations outside the territorial waters of this state.

For purposes of this section, a person is not regularly engaged in the business of commercial deep sea fishing or the operation of a commercial passenger fishing boat if the person has gross receipts from these operations of less than five thousand dollars a year. [1987 c 494 § 2.]

RCW 82.12.031 Exemptions—Use by artistic or cultural organizations of certain objects. The provisions of this chapter shall not apply in respect to the use by artistic or cultural organizations of:

(1) Objects of art;

- (2) Objects of cultural value;
- (3) Objects to be used in the creation of a work of art, other than tools; or
- (4) Objects to be used in displaying art objects or presenting artistic or cultural exhibitions or performances. [1981 c 140 § 5.]

"Artistic or cultural organization" defined: RCW 82.04.4328.

RCW 82.12.0311 Exemptions—Use of materials and supplies in packing horticultural products. The provisions of this chapter shall not apply with respect to the use of materials and supplies directly used in the packing of fresh perishable horticultural products by any person entitled to a deduction under RCW 82.04.4287 either as an agent or an independent contractor. [1988 c 68 § 2.]

RCW 82.12.0315 Exemptions—Rental or sales related to motion picture or video productions—Exceptions. (1) The provisions of this chapter shall not apply in respect to the use of:

- (a) Production equipment rented to a motion picture or video production business;
- (b) Production equipment acquired and used by a motion picture or video production business in another state, if the acquisition and use occurred more than ninety days before the time the motion picture or video production business entered this state; and
- (c) Production services that are within the scope of RCW 82.04.050(2) (a) or (g) and are sold to a motion picture or video production business.

(2) As used in this section, "production equipment," "production services," and "motion picture or video production business" have the meanings given in RCW 82.08.0315.

(3) The exemption provided for in this section shall not apply to the use of production equipment rented to, or production equipment or production services that are within the scope of RCW 82.04.050(2) (a) or (g) acquired and used by, a motion picture or video production business that is engaged, to any degree, in the production of erotic material, as defined in RCW 9.68.050. [2009 c 535 § 614; 2003 c 5 § 10; 1995 2nd sp.s. c 5 § 2.]

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Effective date—1995 2nd sp.s. c 5: See note following RCW 82.08.0315.

RCW 82.12.0316 Exemptions—Sales of cigarettes by Indian retailers. The provisions of this chapter shall not apply in respect to the use of cigarettes sold by an Indian retailer during the effective period of a cigarette tax contract subject to RCW 43.06.455 or a cigarette tax agreement under RCW 43.06.465 or 43.06.466. [2008 c 228 § 4; 2005 c 11 § 4; 2001 c 235 § 5.]

Authorization for agreement—Effective date—2008 c 228: See notes following RCW 43.06.466.

Findings—Intent—Explanatory statement—Effective date—2005 c 11: See notes following RCW 43.06.465.

Intent—Finding—2001 c 235: See RCW 43.06.450.

RCW 82.12.0318 Exemptions—Use of vapor products sold by Indian retailers. (1) The provisions of this chapter do not apply in respect to the use of vapor products sold by an Indian retailer during the effective period of a vapor product tax contract subject to RCW 43.06.510 or a vapor product tax agreement under RCW 43.06.515.

(2) The definitions in RCW 43.06.505 apply to this section. [2019 c 445 § 306.]

Conflict with federal requirements—Effective date—2019 c 445: See RCW 82.25.900 and 82.25.901.

Automatic expiration date and tax preference performance statement exemption—2019 c 445: See note following RCW 82.08.0318.

RCW 82.12.032 Exemption—Use of used park model trailers. The provisions of this chapter shall not apply with respect to the use of used park model trailers, as defined in RCW 82.45.032. [2001 c 282 § 4.]

Intent—Effective date—2001 c 282: See notes following RCW 82.08.032.

RCW 82.12.033 Exemption—Use of certain used mobile homes. The tax imposed by RCW 82.12.020 shall not apply in respect to:

(1) The use of used mobile homes as defined in RCW 82.45.032.

(2) The use of a mobile home acquired by renting or leasing if the rental agreement or lease exceeds thirty days in duration and if the rental or lease of the mobile home is not conducted jointly with the provision of short-term lodging for transients. [1986 c 211 § 3; 1979 ex.s. c 266 § 4.]

RCW 82.12.034 Exemption—Use of used floating homes. The provisions of this chapter shall not apply with respect to the use of used floating homes, as defined in RCW 82.45.032. [1984 c 192 § 4.]

RCW 82.12.0345 Exemptions—Use of newspapers. The tax imposed by RCW 82.12.020 does not apply in respect to the use of:

(1) Printed newspapers as defined in RCW 82.08.0253; and

(2) Newspapers transferred electronically, provided that the electronic version of a printed newspaper:

(a) Shares content with the printed newspaper; and

(b) Is prominently identified by the same name as the printed newspaper or otherwise conspicuously indicates that it is a complement to the printed newspaper. [2009 c 535 § 618; 1994 c 124 § 11.]

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

RCW 82.12.0347 Exemptions—Use of academic transcripts. The provisions of this chapter do not apply in respect to the use of academic transcripts, including academic transcripts transferred electronically. [2009 c 535 § 619; 1996 c 272 § 3.]

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Effective date—1996 c 272: See note following RCW 82.04.399.

RCW 82.12.035 Credit for retail sales or use taxes paid to other jurisdictions with respect to property used. A credit is allowed against the taxes imposed by this chapter upon the use in this state of tangible personal property, extended warranty, digital good, digital code, digital automated service, or services defined as a retail sale in RCW 82.04.050 (2) (a) or (g) or (6)(c), in the amount that the present user thereof or his or her bailor or donor has paid a legally imposed retail sales or use tax with respect to such property, extended warranty, digital good, digital code, digital automated service, or service defined as a retail sale in RCW 82.04.050 (2) (a) or (g) or (6)(c) to any other state, possession, territory, or commonwealth of the United States, any political subdivision thereof, the District of Columbia, and any foreign country or political subdivision thereof. [2017 c 323 § 524; 2015 c 169 § 8; 2009 c 535 § 1107; 2007 c 6 § 1203; 2005 c 514 § 108; 2002 c 367 § 5; 1996 c 148 § 6; 1987 c 27 § 2; 1967 ex.s. c 89 § 5.]

Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323: See note following RCW 82.04.040.

Effective date—2015 c 169: See note following RCW 82.04.050.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Part headings not law—Savings—Effective date—Severability—2007 c 6: See notes following RCW 82.32.020.

Findings—Intent—2007 c 6: See note following RCW 82.14.390.

Effective date—2005 c 514: See note following RCW 83.100.230.

Part headings not law—Severability—2005 c 514: See notes following RCW 82.12.808.

Severability—Effective date—2002 c 367: See notes following RCW 82.04.060.

Severability—Effective date—1996 c 148: See notes following RCW 82.04.050.

RCW 82.12.036 Exemptions and credits—Pollution control facilities. See chapter 82.34 RCW.

RCW 82.12.037 Credits and refunds—Bad debts. (1) A seller is entitled to a credit or refund for use taxes previously paid on bad debts, as that term is used in 26 U.S.C. Sec. 166, as amended or renumbered as of January 1, 2003.

(2) For purposes of this section, "bad debts" does not include:

(a) Amounts due on property that remains in the possession of the seller until the full purchase price is paid;

(b) Expenses incurred in attempting to collect debt;

(c) Debts sold or assigned by the seller to third parties, where the third party is without recourse against the seller; and

(d) Repossessed property.

(3) If a credit or refund of use tax is taken for a bad debt and the debt is subsequently collected in whole or in part, the tax on the amount collected must be paid and reported on the return filed for the period in which the collection is made.

(4) Payments on a previously claimed bad debt are applied first proportionally to the taxable price of the property or service and the sales or use tax thereon, and secondly to interest, service charges, and any other charges.

(5) If the seller uses a certified service provider as defined in RCW 82.32.020 to administer its use tax responsibilities, the certified service provider may claim, on behalf of the seller, the credit or refund allowed by this section. The certified service provider must credit or refund the full amount received to the seller.

(6) The department must allow an allocation of bad debts among member states to the streamlined sales and use tax agreement, as defined in RCW 82.58.010(1), if the books and records of the person claiming bad debts support the allocation.

(7) A person's right to claim a credit or refund under this section is not assignable. No person other than the original seller in the transaction that generated the bad debt or, as provided in subsection (5) of this section, a certified service provider, is entitled to claim a credit or refund under this section. If the original seller in the transaction that generated the bad debt has sold or assigned the debt instrument to a third party with recourse, the original seller may claim a credit or refund under this section only after the debt instrument is reassigned by the third party to the original seller. [2010 1st sp.s. c 23 § 1503; 2007 c 6 § 103; 2004 c 153 § 304; 1982 1st ex.s. c 35 § 36.]

Intent—Application—2010 1st sp.s. c 23 §§ 1502 and 1503: See notes following RCW 82.08.037.

Effective date—2010 1st sp.s. c 23: See note following RCW 82.32.655.

Findings—Intent—2010 1st sp.s. c 23: See notes following RCW 82.04.220.

Part headings not law—Savings—Effective date—Severability—2007 c 6: See notes following RCW 82.32.020.

Findings—Intent—2007 c 6: See note following RCW 82.14.390.

Bad debts—Intent—2004 c 153: See note following RCW 82.08.037.

Retroactive effective date—Effective date—2004 c 153: See note following RCW 82.08.0293.

Severability—Effective dates—1982 1st ex.s. c 35: See notes following RCW 82.08.020.

RCW 82.12.038 Exemptions—Vehicle battery core deposits or credits—Replacement vehicle tire fees—"Core deposits or credits" defined. The provisions of this chapter shall not apply: (1) To the value of core deposits or credits in a retail or wholesale sale; or (2) to the fees imposed under RCW 70A.205.405 upon the sale of a new replacement vehicle tire. For purposes of this section, the term "core deposits or credits" means the amount representing the value of returnable products such as batteries, starters, brakes, and other products with returnable value added for the purpose of recycling or remanufacturing. [2020 c 20 § 1478; 1989 c 431 § 46.]

RCW 82.12.040 Retailers to collect tax—Penalty. (1) Every person who is subject to a collection obligation under chapter 82.08 RCW must obtain from the department a certificate of registration. Such persons must, at the time of making sales of tangible personal property, digital goods, digital codes, digital automated services, extended warranties, or sales of any service defined as a retail sale in RCW 82.04.050 (2) (a) or (g) or (6)(c), or making transfers of either possession or title, or both, of tangible personal property for use in this state, collect from the purchasers or transferees the tax imposed under this chapter. The tax to be collected under this section must be in an amount equal to the purchase price multiplied by the rate in effect for the retail sales tax under RCW 82.08.020. This section does not apply to any retail sale if, in respect to such sale, the seller is subject to a tax collection obligation under chapter 82.08 RCW.

(2) Every person who engages in this state in the business of acting as an independent selling agent for persons who do not hold a valid certificate of registration, and who receives compensation by reason of sales of tangible personal property, digital goods, digital codes, digital automated services, extended warranties, or sales of any service defined as a retail sale in RCW 82.04.050 (2) (a) or (g) or (6)(c), of his or her principals for use in this state, must, at the time such sales are made, collect from the purchasers the tax imposed on the purchase price under this chapter, and for that purpose is deemed a retailer as defined in this chapter.

(3) The tax required to be collected by this chapter is deemed to be held in trust by the retailer until paid to the department, and any

retailer who appropriates or converts the tax collected to the retailer's own use or to any use other than the payment of the tax provided herein to the extent that the money required to be collected is not available for payment on the due date as prescribed is guilty of a misdemeanor. In case any seller fails to collect the tax herein imposed or having collected the tax, fails to pay the same to the department in the manner prescribed, whether such failure is the result of the seller's own acts or the result of acts or conditions beyond the seller's control, the seller is nevertheless personally liable to the state for the amount of such tax, unless the seller has taken from the buyer a copy of a direct pay permit issued under RCW 82.32.087.

(4) Any retailer who refunds, remits, or rebates to a purchaser, or transferee, either directly or indirectly, and by whatever means, all or any part of the tax levied by this chapter is guilty of a misdemeanor.

(5) Notwithstanding subsections (1) through (4) of this section, any person making sales is not obligated to collect the tax imposed by this chapter if the person would have been obligated to collect retail sales tax on the sale absent a specific exemption provided in chapter 82.08 RCW, and there is no corresponding use tax exemption in this chapter. Nothing in this subsection (5) may be construed as relieving purchasers from liability for reporting and remitting the tax due under this chapter directly to the department.

(6) Notwithstanding subsections (1) through (4) of this section, any person making sales is not obligated to collect the tax imposed by this chapter if the state is prohibited under the Constitution or laws of the United States from requiring the person to collect the tax imposed by this chapter.

(7) Notwithstanding subsections (1) through (4) of this section, any licensed dealer facilitating a firearm sale or transfer between two unlicensed persons by conducting background checks under chapter 9.41 RCW is not obligated to collect the tax imposed by this chapter. [2019 c 8 § 704; 2017 3rd sp.s. c 28 § 213; (2017 3rd sp.s. c 28 § 212 expired July 23, 2017); 2017 c 323 § 525; 2015 c 169 § 9; 2015 c 1 § 11 (Initiative Measure No. 594, approved November 4, 2014); 2011 1st sp.s. c 20 § 103; 2010 c 106 § 221; 2009 c 535 § 1108; 2005 c 514 § 109. Prior: 2003 c 168 § 215; 2003 c 76 § 4; 2001 c 188 § 5; 1986 c 48 § 1; 1971 ex.s. c 299 § 11; 1961 c 293 § 11; 1961 c 15 § 82.12.040; prior: 1955 c 389 § 27; 1945 c 249 § 7; 1941 c 178 § 10; 1939 c 225 § 16; Rem. Supp. 1945 § 8370-33; prior: 1935 c 180 § 33.]

Effective date—2019 c 8 §§ 105, 301, 302, 401, and 704: See note following RCW 82.08.010.

Existing rights and liability—Retroactive application—2019 c 8: See notes following RCW 82.02.250.

Expiration date—2017 3rd sp.s. c 28 § 212: "Section 212 of this act expires July 23, 2017." [2017 3rd sp.s. c 28 § 606.]

Findings—Intent—2017 3rd sp.s. c 28 §§ 201-214: See note following RCW 82.08.0531.

Existing rights and liability—Severability—Application—Effective dates—2017 3rd sp.s. c 28: See notes following RCW 82.08.0531.

Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323: See note following RCW 82.04.040.

Effective date—2015 c 169: See note following RCW 82.04.050.

Finding—2015 c 1 (Initiative Measure No. 594): See note following RCW 9.41.010.

Effective date—2010 c 106: See note following RCW 35.102.145.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Effective date—2005 c 514: See note following RCW 83.100.230.

Part headings not law—Severability—2005 c 514: See notes following RCW 82.12.808.

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Intent—2003 c 76: See note following RCW 82.08.050.

Finding—Intent—Effective date—2001 c 188: See notes following RCW 82.32.087.

Effective date—1986 c 48: "This act shall take effect July 1, 1986." [1986 c 48 § 2.]

Effective dates—Severability—1971 ex.s. c 299: See notes following RCW 82.04.050.

Project on exemption reporting requirements: RCW 82.32.440.

RCW 82.12.045 Collection of tax on vehicles by county auditor or director of licensing—Remittance. (1) In the collection of the use tax on vehicles, the department of revenue may designate the county auditors of the several counties of the state as its collecting agents. Upon such designation, it shall be the duty of each county auditor to collect the tax at the time an applicant applies for transfer of certificate of title to the vehicle, except when the applicant:

(a) Exhibits a dealer's report of sale showing that the retail sales tax has been collected by the dealer;

(b) Presents a valid reseller permit issued to the vehicle owner by the department of revenue under the authority of RCW 82.32.780;

(c) Presents a written statement signed by the department of revenue, or its duly authorized agent showing that no use tax is legally due; or

(d) Presents satisfactory evidence showing that the retail sales tax or the use tax has been paid by the applicant on the vehicle in question.

(2) As used in this section, "vehicle" has the same meaning as in RCW 46.04.670.

(3) It shall be the duty of every applicant for registration and transfer of certificate of title who is subject to payment of tax under this section to declare upon the application the value of the vehicle for which application is made, which shall consist of the consideration paid or contracted to be paid therefor.

(4) Each county auditor who acts as agent of the department of revenue shall at the time of remitting vehicle license fee receipts on vehicles subject to the provisions of this section pay over and account to the state treasurer for all use tax revenue collected under this section, after first deducting as a collection fee the sum of two dollars for each motor vehicle upon which the tax has been collected. All revenue received by the state treasurer under this section shall be credited to the general fund. The auditor's collection fee shall be deposited in the county current expense fund. A duplicate of the county auditor's transmittal report to the state treasurer shall be forwarded forthwith to the department of revenue.

(5) Any applicant who has paid use tax to a county auditor under this section may apply to the department of revenue for refund thereof if he or she has reason to believe that such tax was not legally due and owing. No refund shall be allowed unless application therefor is received by the department of revenue within the statutory period for assessment of taxes, penalties, or interest prescribed by RCW 82.32.050(4). Upon receipt of an application for refund the department of revenue shall consider the same and issue its order either granting or denying it and if refund is denied the taxpayer shall have the right of appeal as provided in RCW 82.32.170, 82.32.180, and 82.32.190.

(6) The provisions of this section shall be construed as cumulative of other methods prescribed in chapters 82.04 through 82.32 RCW, inclusive, for the collection of the tax imposed by this chapter. The department of revenue shall have power to promulgate such rules as may be necessary to administer the provisions of this section. Any duties required by this section to be performed by the county auditor may be performed by the director of licensing but no collection fee shall be deductible by said director in remitting use tax revenue to the state treasurer.

(7) The use tax revenue collected on the rate provided in RCW 82.08.020(3) shall be deposited in the multimodal transportation account under RCW 47.66.070. [2020 c 11 § 1; 2010 c 161 § 904; 2003 c 361 § 303; 1996 c 149 § 19; 1983 c 77 § 2; 1979 c 158 § 222; 1969 ex.s. c 10 § 1; 1963 c 21 § 1; 1961 c 15 § 82.12.045. Prior: 1951 c 37 § 1.]

Effective date—Intent—Legislation to reconcile chapter 161, Laws of 2010 and other amendments made during the 2010 legislative session—2010 c 161: See notes following RCW 46.04.013.

Findings—2003 c 361: See note following RCW 82.38.030.

Effective dates—2003 c 361: See note following RCW 82.08.020.

Findings—Intent—Effective date—1996 c 149: See notes following RCW 82.32.050.

RCW 82.12.060 Installment sales or leases. In the case of installment sales and leases of personal property, the department, by rule, may provide for the collection of taxes upon the installments of the purchase price, or amount of rental, as of the time the same fall due. [2003 c 168 § 216; 1975 1st ex.s. c 278 § 54; 1961 c 293 § 16; 1961 c 15 § 82.12.060. Prior: 1959 ex.s. c 3 § 13; 1959 c 197 § 8; prior: 1941 c 178 § 11, part; Rem. Supp. 1941 § 8370-34a, part.]

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Construction—Severability—1975 1st ex.s. c 278: See notes following RCW 11.08.160.

RCW 82.12.070 Cash receipts taxpayers—Bad debts. The department of revenue, by general regulation, shall provide that a taxpayer whose regular books of account are kept on a cash receipts basis may file returns based upon his or her cash receipts for each reporting period and pay the tax herein provided upon such basis in lieu of reporting and paying the tax on all sales made during such period. A taxpayer filing returns on a cash receipts basis is not required to pay such tax on debt subject to credit or refund under RCW 82.12.037. [2013 c 23 § 319; 2004 c 153 § 305; 1982 1st ex.s. c 35 § 38; 1975 1st ex.s. c 278 § 55; 1961 c 15 § 82.12.070. Prior: 1959 ex.s. c 3 § 14; 1959 c 197 § 9; prior: 1941 c 178 § 11, part; Rem. Supp. 1941 § 8370-34a, part.]

Bad debts—Intent—2004 c 153: See note following RCW 82.08.037.

Retroactive effective date—Effective date—2004 c 153: See note following RCW 82.08.0293.

Severability—Effective dates—1982 1st ex.s. c 35: See notes following RCW 82.08.020.

Construction—Severability—1975 1st ex.s. c 278: See notes following RCW 11.08.160.

RCW 82.12.080 Administration. The provisions of chapter 82.32 RCW, insofar as applicable, shall have full force and application with respect to taxes imposed under the provisions of this chapter. [1961 c 15 § 82.12.080. Prior: 1949 c 228 § 9, part; 1945 c 249 § 8, part; 1943 c 156 § 10, part; 1939 c 225 § 18, part; 1937 c 191 § 4, part; 1935 c 180 § 35, part; Rem. Supp. 1949 § 8470-35, part.]

RCW 82.12.145 Delivery charges. When computing the tax levied by RCW 82.12.020, if a shipment consists of taxable tangible personal property and nontaxable tangible personal property, and delivery charges are included in the purchase price, the consumer must remit

tax or the retailer must collect and remit tax on the percentage of delivery charges allocated to the taxable tangible personal property, but does not have to remit or collect and remit tax on the percentage allocated to exempt tangible personal property. The consumer or retailer may use either of the following percentages to determine the taxable portion of the delivery charges:

(1) A percentage based on the total purchase price of the taxable tangible personal property compared to the total purchase price of all tangible personal property in the shipment; or

(2) A percentage based on the total weight of the taxable tangible personal property compared to the total weight of all tangible personal property in the shipment. [2007 c 6 § 802.]

Part headings not law—Savings—Effective date—Severability—2007 c 6: See notes following RCW 82.32.020.

Findings—Intent—2007 c 6: See note following RCW 82.14.390.

RCW 82.12.195 Bundled transactions—Tax imposed. (1) Except as provided in subsection (5) of this section, the use of each product acquired in a bundled transaction is subject to the tax imposed by RCW 82.12.020 if the use of any of its component products is subject to the tax imposed by RCW 82.12.020.

(2) The use of each product acquired in a transaction described in RCW 82.08.190(4) (a) or (b) is subject to the tax imposed by RCW 82.12.020 if the service that is the true object of the transaction is subject to the tax imposed by RCW 82.12.020. If the service that is the true object of the transaction is not subject to the tax imposed by RCW 82.12.020, the use of each product acquired in the transaction is not subject to the tax imposed by RCW 82.12.020.

(3) The use of each product acquired in a transaction described in RCW 82.08.190(4) (c) is not subject to the tax imposed by RCW 82.12.020.

(4) The use of each product in a transaction described in RCW 82.08.190(4) (d) is not subject to the tax imposed by RCW 82.12.020.

(5) The tax imposed by RCW 82.12.020 does not apply in respect to the use of each product acquired in a bundled transaction consisting entirely of the sale of services or of services and prepared food, if the products are provided to a resident, sixty-two years of age or older, of a qualified low-income senior housing facility by the lessor or operator of the facility. A single bundled transaction involving both spouses of a marital community or both domestic partners of a domestic partnership meets the age requirement in this subsection if at least one of the spouses or domestic partners is at least sixty-two years of age. For purposes of this subsection, "qualified low-income senior housing facility" has the same meaning as in RCW 82.08.0293.

(6) The definitions in RCW 82.08.190 apply to this section. [2009 c 483 § 5; 2007 c 6 § 1403.]

Finding—Intent—Effective date—2009 c 483: See notes following RCW 82.08.0293.

Part headings not law—Savings—Effective date—Severability—2007 c 6: See notes following RCW 82.32.020.

Findings—Intent—2007 c 6: See note following RCW 82.14.390.

RCW 82.12.207 Investment data for investment firms. (Expires July 1, 2031.) (1) The tax imposed by RCW 82.12.020 does not apply to the use of standard financial information by qualifying international investment management companies or persons affiliated, as defined in RCW 82.04.293, with a qualifying international investment management company. The exemption provided in this section applies regardless of whether the standard financial information is in a tangible format or resides on a tangible storage medium or is a digital product transferred electronically to the qualifying international investment management company.

(2) The definitions, conditions, and requirements in RCW 82.08.207 apply to this section.

(3) This section expires July 1, 2031. [2019 c 426 § 7; 2013 2nd sp.s. c 13 § 703.]

Findings—Intent—Tax preference performance statement—2019 c 426 §§ 6 and 7: See notes following RCW 82.08.207.

Findings—Intent—2013 2nd sp.s. c 13: See note following RCW 82.08.207.

Effective date—2013 2nd sp.s. c 13: See note following RCW 82.04.43393.

RCW 82.12.215 Exemptions—Large private airplanes. (Expires July 1, 2031.) (1)(a) The tax levied by RCW 82.12.020 does not apply to the use of:

(i) Large private airplanes owned by nonresidents of this state; and

(ii) Labor and services rendered in respect to repairing, cleaning, altering, or improving large private airplanes owned by nonresidents of this state.

(b) The exemption provided by this section applies only when the large private airplane is not required to be registered with the department of transportation, or its successor, under chapter 47.68 RCW. The airplane owner or lessee claiming an exemption under this section must provide the department, upon request, a copy of the written statement required under *RCW 47.68.250(5)(c)(ii) documenting the airplane's registration exemption and any additional information the department may require.

(2) Upon request, the department of transportation must provide to the department of revenue information needed by the department of revenue to verify eligibility under this section.

(3) For purposes of this section, the conditions, limitation, and definitions in RCW 82.08.215 apply to this section.

(4) This section expires July 1, 2031. [2020 c 304 § 2; 2013 2nd sp.s. c 13 § 1104.]

***Reviser's note:** RCW 47.68.250 was amended by 2021 c 131 § 2, changing subsection (5)(c)(ii) to subsection (6)(c)(ii).

Intent—Findings—Tax preference review—2020 c 304 §§ 1-5; 2013 2nd sp.s. c 13 §§ 1101-1105: See note following RCW 47.68.250.

Effective date—2013 2nd sp.s. c 13: See note following RCW 82.08.215.

RCW 82.12.225 Exemptions—Nonprofit fund-raising activities.

(1) The provisions of this chapter do not apply in respect to the use of any article of personal property, valued at less than twelve thousand dollars, purchased or received as a prize in a contest of chance, as defined in RCW 82.04.285, from a nonprofit organization or a library, if the gross income the nonprofit organization or library receives from the sale is exempt under RCW 82.04.3651.

(2) (a) Beginning December 2020, and each December thereafter, the department must adjust the value limit for the exemption under subsection (1) of this section by multiplying the current value limit for the exemption under subsection (1) of this section by the greater of one or one plus the percentage change in the consumer price index for the most recent twelve-month period available as of December 1st of the current calendar year, and rounding the result to the nearest ten dollars. If an adjustment under this subsection (2) would reduce the value limit for the exemption under subsection (1) of this section, the department may not adjust the value limit for use in the following year. The department must promptly publish the adjusted value limit for the next calendar year on its public website. Each adjusted value limit calculated under this subsection takes effect on the following January 1st.

(b) For purposes of this subsection (2):

(i) "Consumer price index" means the consumer price index for all urban consumers, all items, (CPI-U) for the Seattle area as calculated by the United States bureau of labor statistics or successor agency. If the United States bureau of labor statistics or successor agency ceases to calculate a CPI-U for the Seattle area, "consumer price index" means a successor index as determined by the department consistent with the purpose of this subsection (2); and

(ii) "Seattle area" means the geographic area sample that includes Seattle and surrounding areas. [2020 c 159 § 1; 2015 3rd sp.s. c 32 § 2; 2013 2nd sp.s. c 13 § 1402.]

Automatic expiration date and tax preference performance

statement exemption—2020 c 159: "The provisions of RCW 82.32.805 and 82.32.808 do not apply to this act." [2020 c 159 § 2.]

Tax preference performance statement—2015 3rd sp.s. c 32 § 2:

"(1) This section is the tax preference performance statement for the tax preference in section 2 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to accomplish a general purpose as indicated in RCW 82.32.808(2) (f).

(3) It is the legislature's specific public policy objective to provide use tax relief for individuals who support charitable activities by purchasing or winning articles of personal property from a nonprofit organization or library when the personal property is sales tax exempt.

(4) To measure the effectiveness of the exemption provided in this act in achieving the specific public policy objective described in [subsection] (3) of this section, the joint legislative audit and review committee must evaluate this tax preference." [2015 3rd sp.s. c 32 § 1.]

Intent—2013 2nd sp.s. c 13: "It is the intent of part XIV of this act to provide use tax relief for individuals who support charitable activities by purchasing or winning articles of personal property from a nonprofit organization or library when the personal property is sales tax exempt. It is also the intent of the legislation to provide this tax preference in a fiscally responsible manner by capping the exemption for articles of personal property that are valued at ten thousand dollars or less." [2013 2nd sp.s. c 13 § 1401.]

Effective date—2013 2nd sp.s. c 13: See note following RCW 82.04.43393.

RCW 82.12.700 Exemptions—Vessels sold to nonresidents. (1) The provisions of this chapter do not apply in respect to the use of a vessel thirty feet or longer if a nonresident individual:

(a) Purchased the vessel from a vessel dealer in accordance with RCW 82.08.700;

(b) Purchased the vessel in the state from a person other than a vessel dealer, but the nonresident individual purchases and displays a valid use permit from a vessel dealer under this section within fourteen days of the date that the vessel is purchased in this state; or

(c) Acquired the vessel outside the state, but purchases and displays a valid use permit from a vessel dealer under this section within fourteen days of the date that the vessel is first brought into this state.

(2) Any vessel dealer that makes tax exempt sales under RCW 82.08.700 shall issue use permits under this section. A vessel dealer shall issue a use permit under this section if the dealer is satisfied that the individual purchasing the permit is a nonresident. The use permit is valid for twelve consecutive months from the date of issuance. A use permit is not renewable, and an individual may only purchase one use permit for a particular vessel. A person who has been issued a use permit under RCW 82.08.700 for a particular vessel may not purchase a use permit under this section for the same vessel after the use permit issued under RCW 82.08.700 expires. All other requirements and conditions, not inconsistent with the provisions of this section, relating to use permits in RCW 82.08.700, apply to use permits under this section. A person may not claim an exemption under RCW 82.12.0251(1) within twenty-four months after a use permit, issued under this section or RCW 82.08.700, for the same vessel, has expired.

(3) (a) Except as provided in (b) of this subsection, a nonresident who claims an exemption under this section and who uses a vessel in this state after his or her use permit for that vessel has expired is liable for the tax imposed under RCW 82.12.020 based on the value of the vessel at the time that the vessel was either purchased in this state under circumstances in which the exemption under RCW 82.08.700 did not apply or was first brought into this state, as the case may be. Interest at the rate provided in RCW 82.32.050 applies to

amounts due under this subsection, retroactively to the date that the vessel was purchased in this state or first brought into the state, and accrues until the full amount of tax due is paid to the department.

(b) A nonresident individual who is exempt under both this section and RCW 82.08.700 and who uses a vessel in this state after his or her use permit for that vessel expires is liable for tax and interest as provided in RCW 82.08.700(5).

(4) Any vessel dealer that issues a use permit to an individual who does not hold valid identification establishing out-of-state residency, and any dealer that fails to maintain records for each use permit issued that shows the type of proof accepted, including any identification numbers where appropriate, and the expiration date, if any, is personally liable for the amount of tax due. [2007 c 22 § 2.]

Effective date—2007 c 22: See note following RCW 82.08.700.

RCW 82.12.798 Exemptions—Use of feminine hygiene products. (1) The tax levied by RCW 82.12.020 does not apply to the use of feminine hygiene products.

(2) "Feminine hygiene products" has the same meaning as provided in RCW 82.08.798. [2020 c 350 § 4.]

Tax preference performance statement—Findings—Intent—Exemption from automatic expiration date of new tax preference—Effective date—2020 c 350: See notes following RCW 82.08.798.

RCW 82.12.799 Exemptions—Vessels exempt from registration. (Expires January 1, 2029.) (1) Except as otherwise provided in this section, the provisions of this chapter do not apply to the use of a vessel exempt from registration under RCW 88.02.570(12).

(2) The use of a vessel exempt from registration under RCW 88.02.570(12) for chartering with a captain or crew is subject to the tax imposed in RCW 82.12.020 based on the reasonable bare rental value of the vessel as provided in RCW 82.12.010(7)(c).

(3) This section expires January 1, 2029. [2021 c 150 § 6.]

RCW 82.12.800 Exemptions—Uses of vessel, vessel's trailer by manufacturer. (1) The tax imposed under RCW 82.12.020 shall not apply to the following uses of a vessel, as defined in RCW 88.02.310, by the manufacturer of the vessel:

(a) Activities to test, set-up, repair, remodel, evaluate, or otherwise make a vessel seaworthy, to include performance, endurance, and sink testing, if the vessel is to be held for sale;

(b) Training activities of a manufacturer's employees, agents, or subcontractors involved in the development and manufacturing of the manufacturer's vessels, if the vessel is to be held for sale;

(c) Activities to promote the sale of the manufacturer's vessels, to include photography and video sessions to be used in promotional materials; traveling directly to and from vessel promotional events for the express purpose of displaying a manufacturer's vessels;

(d) Any vessels loaned or donated to a civic, religious, nonprofit, or educational organization for continuous periods of use

not exceeding seventy-two hours, or longer if approved by the department; or to vessels loaned or donated to governmental entities;

(e) Direct transporting, displaying, or demonstrating any vessel at a wholesale or retail vessel show;

(f) Delivery of a vessel to a buyer, vessel manufacturer, registered vessel dealer as defined in RCW 88.02.310, or to any other person involved in the manufacturing or sale of that vessel for the purpose of the manufacturing or sale of that vessel; and

(g) Displaying, showing, and operating a vessel for sale to a prospective buyer to include the short-term testing, operating, and examining by a prospective buyer.

(2) Subsection (1) of this section shall apply to any trailer or other similar apparatus used to transport, display, show, or operate a vessel, if the trailer or other similar apparatus is held for sale. [2011 c 171 § 121; 1997 c 293 § 1.]

Intent—Effective date—2011 c 171: See notes following RCW 4.24.210.

RCW 82.12.801 Exemptions—Uses of vessel, vessel's trailer by dealer. (1) The tax imposed under RCW 82.12.020 shall not apply to the following uses of a vessel, as defined in RCW 88.02.310, by a vessel dealer registered under chapter 88.02 RCW:

(a) Activities to test, set-up, repair, remodel, evaluate, or otherwise make a vessel seaworthy, if the vessel is held for sale;

(b) Training activity of a dealer's employees, agents, or subcontractors involved in the sale of the dealer's vessels, if the vessel is held for sale;

(c) Activities to promote the sale of the dealer's vessels, to include photography and video sessions to be used in promotional materials; traveling directly to and from promotional vessel events for the express purpose of displaying a dealer's vessels for sale, provided it is displayed on the vessel that it is, in fact, for sale and the identification of the registered vessel dealer offering the vessel for sale is also displayed on the vessel;

(d) Any vessel loaned or donated to a civic, religious, nonprofit, or educational organization for continuous periods of use not exceeding seventy-two hours, or longer if approved by the department; or to vessels loaned or donated to governmental entities;

(e) Direct transporting, displaying, or demonstrating any vessel at a wholesale or retail vessel show;

(f) Delivery of a vessel to a buyer, vessel manufacturer, registered vessel dealer as defined in RCW 88.02.310, or to any other person involved in the manufacturing or sale of that vessel for the purpose of the manufacturing or sale of that vessel; and

(g) Displaying, showing, and operating a vessel for sale to a prospective buyer to include the short-term testing, operating, and examining by a prospective buyer.

(2) Subsection (1) of this section shall apply to any trailer or other similar apparatus used to transport, display, show, or operate a vessel, if the trailer or other similar apparatus is held for sale. [2011 c 171 § 122; 1997 c 293 § 2.]

Intent—Effective date—2011 c 171: See notes following RCW 4.24.210.

RCW 82.12.802 Vessels held in inventory by dealer or manufacturer—Tax on personal use—Documentation—Rules. If a vessel held in inventory is used by a vessel dealer or vessel manufacturer for personal use, use tax shall be due based only on the reasonable rental value of the vessel used, but only if the vessel dealer or manufacturer can show that the vessel is truly held for sale and that the dealer or manufacturer is and has been making good faith efforts to sell the vessel. The department may by rule require dealers and manufacturers to provide vessel logs or other documentation showing that vessels are truly held for sale. [1997 c 293 § 3.]

RCW 82.12.803 Exemptions—Nebulizers. (1) The provisions of this chapter shall not apply in respect to the use of nebulizers, including repair, replacement, and component parts for such nebulizers, for human use pursuant to a prescription. In addition, the provisions of this chapter shall not apply in respect to labor and services rendered in respect to the repairing, cleaning, altering, or improving of nebulizers. "Nebulizer" has the same meaning as in RCW 82.08.803.

(2) Sellers obligated to collect use tax shall collect tax on sales subject to this exemption. The buyer shall apply for a refund directly from the department in a form and manner prescribed by the department. [2007 c 6 § 1104; 2004 c 153 § 105.]

Part headings not law—Savings—Effective date—Severability—2007 c 6: See notes following RCW 82.32.020.

Findings—Intent—2007 c 6: See note following RCW 82.14.390.

Retroactive effective date—Effective date—2004 c 153: See note following RCW 82.08.0293.

RCW 82.12.804 Exemptions—Ostomic items. The provisions of this chapter shall not apply in respect to the use of ostomic items by colostomy, ileostomy, or urostomy patients. "Ostomic items" has the same meaning as in RCW 82.08.804. [2004 c 153 § 107.]

Retroactive effective date—Effective date—2004 c 153: See note following RCW 82.08.0293.

RCW 82.12.805 Exemptions—Personal property used at an aluminum smelter. (1) A person who is subject to tax under RCW 82.12.020 for personal property used at an aluminum smelter, or for tangible personal property that will be incorporated as an ingredient or component of buildings or other structures at an aluminum smelter, or for labor and services rendered with respect to such buildings, structures, or personal property, is eligible for an exemption from the state share of the tax in the form of a credit, as provided in this section. The amount of the credit equals the state share of use tax computed to be due under RCW 82.12.020. The person must submit information, in a form and manner prescribed by the department, specifying the amount of qualifying purchases or acquisitions for which the exemption is claimed and the amount of exempted tax.

(2) For the purposes of this section, "aluminum smelter" has the same meaning as provided in RCW 82.04.217.

(3) A person reporting under the tax rate provided in this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) Credits may not be claimed under this section for taxable events occurring on or after January 1, 2027. [2017 c 135 § 29; 2015 3rd sp.s. c 6 § 505; 2011 c 174 § 305. Prior: 2010 1st sp.s. c 2 § 4; 2010 c 114 § 128; 2009 c 535 § 620; 2006 c 182 § 4; 2004 c 24 § 11.]

Effective date—2017 c 135: See note following RCW 82.32.534.

Effective dates—2015 3rd sp.s. c 6: See note following RCW 82.04.4266.

Findings—Tax preference performance statement—2015 3rd sp.s. c 6 §§ 502-506: See note following RCW 82.04.2909.

Application—Finding—Intent—2010 c 114: See notes following RCW 82.32.534.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

Intent—Effective date—2004 c 24: See notes following RCW 82.04.2909.

RCW 82.12.806 Exemptions—Use of computer equipment parts and services by printer or publisher. (1) The provisions of this chapter do not apply in respect to the use, by a printer or publisher, of computer equipment, including repair parts and replacement parts for such equipment, when the computer equipment is used primarily in the printing or publishing of any printed material, or to labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the computer equipment. This exemption applies only to computer equipment not otherwise exempt under RCW 82.12.02565.

(2) For the purposes of this section, the definitions in RCW 82.08.806 apply. [2004 c 8 § 3.]

Findings—Intent—2004 c 8: See note following RCW 82.08.806.

RCW 82.12.807 Exemptions—Direct mail delivery charges. (1) The tax levied by this chapter does not apply to the value of delivery charges made for the delivery of direct mail if the charges are separately stated on an invoice or similar billing document given to the purchaser.

(2) "Delivery charges" and "direct mail" have the same meanings as in RCW 82.08.010. [2005 c 514 § 116.]

Effective date—2005 c 514: See note following RCW 82.04.4272.

Part headings not law—Severability—2005 c 514: See notes following RCW 82.12.808.

RCW 82.12.808 Exemptions—Use of medical supplies, chemicals, or materials by comprehensive cancer centers. (1) The provisions of this chapter do not apply in respect to the use of medical supplies, chemicals, or materials by a comprehensive cancer center. The exemption in this section does not apply to the use of construction materials, office equipment, building equipment, administrative supplies, or vehicles.

(2) The definitions in RCW 82.04.4265 and 82.08.808 apply to this section. [2005 c 514 § 403.]

Part headings not law—2005 c 514: "Part headings used in this act are not any part of the law." [2005 c 514 § 1301.]

Severability—2005 c 514: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [2005 c 514 § 1309.]

Effective date—2005 c 514 §§ 401-403: See note following RCW 82.04.4265.

RCW 82.12.809 Exemptions—Vehicles using clean alternative fuels and electric vehicles, exceptions—Quarterly transfers. (1)(a) Except as provided in subsection (4) of this section, the provisions of this chapter do not apply in respect to the use of new passenger cars, light duty trucks, and medium duty passenger vehicles, which (i) are exclusively powered by a clean alternative fuel or (ii) use at least one method of propulsion that is capable of being reenergized by an external source of electricity and are capable of traveling at least thirty miles using only battery power.

(b) Beginning with purchases made or lease agreements signed on or after July 1, 2016, the exemption in this section is only applicable for up to thirty-two thousand dollars of a vehicle's purchase price or the total lease payments made plus the purchase price of the leased vehicle if the original lessee purchases the leased vehicle before the expiration of the exemption as described in RCW 82.08.809(6).

(2) The definitions in RCW 82.08.809 apply to this section.

(3) A taxpayer is not liable for the tax imposed in RCW 82.12.020 on the use, on or after the expiration of the exemption as described in RCW 82.08.809(6), of a passenger car, light duty truck, or medium duty passenger vehicle that is exclusively powered by a clean alternative fuel or uses at least one method of propulsion that is capable of being reenergized by an external source of electricity and is capable of traveling at least thirty miles using only battery power, if the taxpayer used such vehicle in this state before the expiration of the exemption as described in RCW 82.08.809(6), and the use was exempt under this section from the tax imposed in RCW 82.12.020.

(4)(a) For vehicles identified in subsection (1)(a) of this section purchased on or after July 1, 2016, and before the expiration of the exemption as described in RCW 82.08.809(6), or for leased vehicles identified in subsection (1)(a) of this section for which the lease agreement was signed on or after July 1, 2016, and before the expiration of the exemption as described in RCW 82.08.809(6), a

vehicle is not exempt from use tax as described under subsection (1)(b) of this section if, at the time the tax is imposed for purchased vehicles or at the inception of the lease for leased vehicles, the lowest manufacturer's suggested retail price, as determined in rule by the department of licensing pursuant to chapter 34.05 RCW, for the base model is more than forty-two thousand five hundred dollars.

(b) For vehicles identified in subsection (1)(a) of this section purchased on or after July 15, 2015, and before July 1, 2016, or for leased vehicles identified in subsection (1)(a) of this section for which the lease agreement was signed on or after July 15, 2015, and before July 1, 2016, a vehicle is not exempt from use tax if the fair market value of the vehicle exceeds thirty-five thousand dollars at the time the tax is imposed for purchased vehicles, or at the inception of the lease for leased vehicles.

(c) For leased vehicles for which the lease agreement was signed before July 1, 2015, lease payments are exempt from use tax as described under subsection (1)(a) of this section regardless of the vehicle's fair market value at the inception of the lease.

(5) On the last day of January, April, July, and October of each year, the state treasurer, based upon information provided by the department, must transfer from the multimodal transportation account to the general fund a sum equal to the dollar amount that would otherwise have been deposited into the general fund during the prior calendar quarter but for the exemption provided in this section. Information provided by the department to the state treasurer must be based on the best available data. For purposes of this section, the first transfer for the calendar quarter after July 15, 2015, must be calculated assuming only those revenues that should have been deposited into the general fund beginning July 1, 2015.

(6)(a) The exemption provided under this section does not apply to the use of new passenger cars, light duty trucks, and medium duty passenger vehicles, or lease payments due on such vehicles, if the date of sale of the vehicle from the seller to the buyer occurred or the lease agreement was signed after the expiration of the exemption as provided in RCW 82.08.809(6).

(b) All leased vehicles that qualified for the exemption before the expiration of the exemption must continue to receive the exemption as described under subsection (1)(b) of this section on lease payments due through the remainder of the lease.

(c) Nothing in this subsection (6) may be construed to allow an exemption under this section for the purchase of a qualifying vehicle by the original lessee of the vehicle after the expiration of the exemption. [2016 sp.s. c 32 § 3; 2015 3rd sp.s. c 44 § 409; 2010 1st sp.s. c 11 § 3; 2005 c 296 § 3.]

Effective date—Tax preference performance statement—2016 sp.s. c 32: See notes following RCW 82.08.809.

Effective date—2015 3rd sp.s. c 44: See note following RCW 46.68.395.

Tax preference performance statement—2015 3rd sp.s. c 44 §§ 408 and 409: See note following RCW 82.08.809.

Effective date—2005 c 296: See note following RCW 82.08.809.

RCW 82.12.810 Exemptions—Air pollution control facilities at a thermal electric generation facility—Exceptions—Payments on cessation of operation. (1) For the purposes of this section, "air pollution control facilities" mean any treatment works, control devices and disposal systems, machinery, equipment, structures, property, property improvements, and accessories, that are installed or acquired for the primary purpose of reducing, controlling, or disposing of industrial waste that, if released to the outdoor atmosphere, could cause air pollution, or that are required to meet regulatory requirements applicable to their construction, installation, or operation.

(2) The provisions of this chapter do not apply in respect to:

(a) The use of air pollution control facilities installed and used by a light and power business, as defined in RCW 82.16.010, in generating electric power; or

(b) The use of labor and services performed in respect to the installing of air pollution control facilities.

(3) The exemption provided under this section applies only to air pollution control facilities that are:

(a) Constructed or installed after May 15, 1997, and used in a thermal electric generation facility placed in operation after December 31, 1969, and before July 1, 1975; and

(b) Constructed or installed to meet applicable regulatory requirements established under state or federal law, including the Washington clean air act, chapter 70A.15 RCW.

(4) This section does not apply to the use of tangible personal property for maintenance or repairs of the pollution control equipment or to labor and services performed in respect to such maintenance or repairs.

(5) If production of electricity at a thermal electric generation facility for any calendar year after 2002 and before 2023 falls below a twenty percent annual capacity factor for the generation facility, all or a portion of the tax previously exempted under this section in respect to construction or installation of air pollution control facilities at the generation facility shall be due according to the schedule provided in RCW 82.08.810(5).

(6) *RCW 82.32.393 applies to this section. [2020 c 20 § 1479; 2003 c 5 § 12; 1997 c 368 § 3.]

***Reviser's note:** RCW 82.32.393 expired December 31, 2015.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Findings—Intent—Rules adoption—Severability—Effective date—1997 c 368: See notes following RCW 82.08.810.

RCW 82.12.811 Exemptions—Coal used at coal-fired thermal electric generation facility—Application—Demonstration of progress in air pollution control—Notice of emissions violations—Reapplication—Payments on cessation of operation. (1) For the purposes of this section:

(a) "Air pollution control facilities" means any treatment works, control devices and disposal systems, machinery, equipment, structure, property, property improvements, and accessories, that are installed or acquired for the primary purpose of reducing, controlling, or

disposing of industrial waste that, if released to the outdoor atmosphere, could cause air pollution, or that are required to meet regulatory requirements applicable to their construction, installation, or operation; and

(b) "Generation facility" means a coal-fired thermal electric generation facility placed in operation after December 3, 1969, and before July 1, 1975.

(2) Beginning January 1, 1999, the provisions of this chapter do not apply in respect to the use of coal to generate electric power at a generation facility operated by a business if the following conditions are met:

(a) The owners must make an application to the department of revenue for a tax exemption;

(b) The owners must make a demonstration to the department of ecology that the owners have made reasonable initial progress to install air pollution control facilities to meet applicable regulatory requirements established under state or federal law, including the Washington clean air act, chapter 70A.15 RCW;

(c) Continued progress must be made on the development of air pollution control facilities to meet the requirements of the permit; and

(d) The generation facility must emit no more than ten thousand tons of sulfur dioxide during a previous consecutive twelve-month period.

(3) During a consecutive twelve-month period, if the generation facility is found to be in violation of excessive sulfur dioxide emissions from a regional air pollution control authority or the department of ecology, the department of ecology shall notify the department of revenue and the owners of the generation facility shall lose their tax exemption under this section. The owners of a generation facility may reapply for the tax exemption when they have once again met the conditions of subsection (2)(d) of this section.

(4) *RCW 82.32.393 applies to this section. [2020 c 20 § 1480; 1997 c 368 § 6.]

***Reviser's note:** RCW 82.32.393 expired December 31, 2015.

Findings—Intent—Rules adoption—Severability—Effective date—
1997 c 368: See notes following RCW 82.08.810.

RCW 82.12.816 Exemptions—Electric vehicle batteries and fuel cells—Labor and services—Infrastructure. (Expires July 1, 2025.) (1) The tax imposed by RCW 82.12.020 does not apply to the use of:

(a) Electric vehicle batteries or fuel cells, including batteries or fuel cells sold as a component of an electric bus at the time of the vehicle's sale;

(b) Labor and services rendered in respect to installing, repairing, altering, or improving electric vehicle batteries or fuel cells;

(c) Tangible personal property that will become a component of battery or fuel cell electric vehicle infrastructure during the course of installing, constructing, repairing, or improving battery or fuel cell electric vehicle infrastructure; and

(d) Zero emissions buses.

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

(a) "Battery charging station" means an electrical component assembly or cluster of component assemblies designed specifically to charge batteries within electric vehicles, which meet or exceed any standards, codes, and regulations set forth by chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

(b) "Battery exchange station" means a fully automated facility that will enable an electric vehicle with a swappable battery to enter a drive lane and exchange the depleted battery with a fully charged battery through a fully automated process, which meets or exceeds any standards, codes, and regulations set forth by chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

(c) "Electric vehicle infrastructure" means structures, machinery, and equipment necessary and integral to support a battery or fuel cell electric vehicle, including battery charging stations, rapid charging stations, battery exchange stations, fueling stations that provide hydrogen for fuel cell electric vehicles, green electrolytic hydrogen production facilities, and renewable hydrogen production facilities.

(d) "Green electrolytic hydrogen" means hydrogen produced through electrolysis, and does not include hydrogen manufactured using steam reforming or any other conversion technology that produces hydrogen from a fossil fuel feedstock.

(e) "Rapid charging station" means an industrial grade electrical outlet that allows for faster recharging of electric vehicle batteries through higher power levels, which meets or exceeds any standards, codes, and regulations set forth by chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

(f) "Renewable hydrogen" means hydrogen produced using renewable resources both as the source for hydrogen and the source for the energy input into the production process.

(g) "Renewable resource" means (i) water; (ii) wind; (iii) solar energy; (iv) geothermal energy; (v) renewable natural gas; (vi) renewable hydrogen; (vii) wave, ocean, or tidal power; (viii) biodiesel fuel that is not derived from crops raised on land cleared from old growth or first growth forests; or (ix) biomass energy.

(h) "Zero emissions bus" means a bus that emits no exhaust gas from the onboard source of power, other than water vapor.

(3) This section expires July 1, 2025. [2022 c 292 § 402; 2022 c 182 § 310; 2019 c 287 § 12; 2009 c 459 § 5.]

Reviser's note: This section was amended by 2022 c 182 § 310 and by 2022 c 292 § 402, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Intent—2022 c 292: See note following RCW 43.330.565.

Intent—Effective date—2022 c 182: See notes following RCW 70A.65.240.

Tax preference performance statement—2019 c 287 §§ 8-14: See note following RCW 82.04.4496.

Effective date—2019 c 287: See note following RCW 82.29A.125.

Findings—Intent—2019 c 287: See note following RCW 28B.30.903.

Finding—Purpose—2009 c 459: See note following RCW 47.80.090.

Regional transportation planning organizations—Electric vehicle infrastructure: RCW 47.80.090.

RCW 82.12.817 Exemptions—Fuel cell electric vehicles. (Expires June 30, 2029.) (1) Subject to the limitations in this subsection and RCW 82.08.993(1)(c), beginning July 1, 2022, with sales made or lease agreements signed on or after this date until the expiration of this section, 50 percent of the tax levied by RCW 82.12.020 does not apply to sales or leases of new electric passenger cars, light duty trucks, and medium duty passenger vehicles, that are powered by a fuel cell.

(2)(a) Subject to the limitations in this subsection (2), beginning July 1, 2022, with sales made or lease agreements signed on or after this date until the expiration of this section, the entire tax levied by RCW 82.12.020 does not apply to the sale or lease of used electric passenger cars, light duty trucks, and medium duty passenger vehicles, that are powered by a fuel cell.

(b) The per vehicle exemption must be based on the sales price for purchased vehicles and fair market value at the inception of the lease for leased vehicles. However, the maximum value amount eligible for the exemption under (a) of this subsection is the lesser of either \$16,000 or the fair market value of the vehicle.

(c) A person may not claim the exemption under this subsection (2) if the person claims the exemption under RCW 82.08.9999 or 82.12.9999.

(3) The buyer must keep records necessary for the department to verify eligibility under this section. The buyer claiming the exemption must also submit itemized information to the department for all vehicles for which an exemption is claimed that must include the following: Vehicle make; vehicle model; model year; whether the vehicle has been sold or leased; date of sale or start date of lease; length of lease; sales price for purchased vehicles and fair market value at the inception of the lease for leased vehicles; and the total amount qualifying for the incentive claimed for each vehicle, in addition to the future monthly amount to be claimed for each leased vehicle. This information must be provided in a form and manner prescribed by the department.

(4)(a) Sales of vehicles delivered to the buyer after the expiration of this section, or leased vehicles for which the lease agreement was signed after the expiration of this section, do not qualify for the exemptions under this section.

(b) All leased vehicles that qualified for the exemption under this section before the expiration of this section must continue to receive the exemption on any lease payments due through the remainder of the lease.

(5) The definitions in RCW 82.08.993 apply to this section.

(6) This section expires June 30, 2029. [2022 c 182 § 304; 2021 c 171 § 3.]

Intent—Effective date—2022 c 182: See notes following RCW 70A.65.240.

Tax preference performance statement—Effective date—2021 c 171: See notes following RCW 82.08.993.

RCW 82.12.820 Exemptions—Warehouse and grain elevators and distribution centers. (1) Wholesalers or third-party warehouse owners who own or operate warehouses or grain elevators, and retailers who own or operate distribution centers, and who have paid the tax levied under RCW 82.12.020 on:

(a) Material-handling equipment and racking equipment and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment; or

(b) Materials incorporated in the construction of a warehouse or grain elevator, are eligible for an exemption on tax paid in the form of a remittance or credit against tax owed. The amount of the remittance or credit is computed under subsection (2) of this section and is based on the state share of use tax.

(2) (a) A person claiming an exemption from state tax in the form of a remittance under this section must pay the tax imposed by RCW 82.12.020 to the department. The person may then apply to the department for remittance of all or part of the tax paid under RCW 82.12.020. For grain elevators with bushel capacity of one million but less than two million, the remittance is equal to fifty percent of the amount of tax paid. For warehouses with square footage of two hundred thousand or more and for grain elevators with bushel capacity of two million or more, the remittance is equal to one hundred percent of the amount of tax paid for qualifying construction materials, and fifty percent of the amount of tax paid for qualifying material-handling equipment and racking equipment.

(b) The department shall determine eligibility under this section based on information provided by the buyer and through audit and other administrative records. The buyer shall on a quarterly basis submit an information sheet, in a form and manner as required by the department by rule, specifying the amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The buyer shall retain, in adequate detail to enable the department to determine whether the equipment or construction meets the criteria under this section: Invoices; proof of tax paid; documents describing the material-handling equipment and racking equipment; location and size of warehouses, if applicable; and construction invoices and documents.

(c) The department shall on a quarterly basis remit or credit exempted amounts to qualifying persons who submitted applications during the previous quarter.

(3) Warehouse, grain elevators, and material-handling equipment and racking equipment for which an exemption, credit, or deferral has been or is being received under chapter 82.60, 82.62, or 82.63 RCW or RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance under this section. Materials incorporated in warehouses and grain elevators upon which construction was initiated prior to May 20, 1997, are not eligible for a remittance under this section.

(4) The lessor or owner of the warehouse or grain elevator is not eligible for a remittance or credit under this section unless the underlying ownership of the warehouse or grain elevator and material-handling equipment and racking equipment vests exclusively in the same person, or unless the lessor by written contract agrees to pass the economic benefit of the exemption to the lessee in the form of reduced rent payments.

(5) The definitions in RCW 82.08.820 apply to this section.
[2006 c 354 § 13; 2005 c 513 § 12; 2003 c 5 § 13; 2000 c 103 § 9; 1997
c 450 § 3.]

Effective dates—2006 c 354: See note following RCW 82.04.4268.

Effective dates—2005 c 513: See note following RCW 82.04.4266.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Findings—Intent—Report—Effective date—1997 c 450: See notes following RCW 82.08.820.

RCW 82.12.832 Exemptions—Use of gun safes. The provisions of this chapter do not apply with respect to the use of gun safes as defined in RCW 82.08.832. [1998 c 178 § 2.]

Effective date—1998 c 178: See note following RCW 82.08.832.

RCW 82.12.834 Exemptions—Sales/leasebacks by regional transit authorities. This chapter does not apply to the use of tangible personal property by a seller/lessee under a sale/leaseback agreement under RCW 81.112.300 in respect to tangible personal property used by the seller/lessee, or to the use of tangible personal property under an exercise of an option to purchase at the end of the lease term, but only if the seller/lessee previously paid any tax otherwise due under this chapter or chapter 82.08 RCW at the time of acquisition of the tangible personal property. [2001 c 320 § 6; 2000 2nd sp.s. c 4 § 22.]

Effective date—2001 c 320: See note following RCW 11.02.005.

Findings—Construction—2000 2nd sp.s. c 4 §§ 18-30: See notes following RCW 81.112.300.

RCW 82.12.845 Use of motorcycles loaned to department of licensing. This chapter does not apply to the use of motorcycles that are loaned to the department of licensing exclusively for the provision of motorcycle training under RCW 46.20.520, or to persons contracting with the department to provide this training. [2001 c 121 § 1.]

RCW 82.12.850 Exemptions—Conifer seed. The provisions of this chapter do not apply in respect to the use of conifer seed to grow seedlings if the seedlings are grown by a person other than the owner of the seed. This section applies only if the seedlings will be used for growing timber outside Washington, or if the owner of the conifer seed is an Indian tribe or member and the seedlings will be used for growing timber in Indian country.

If the owner of conifer seed is not able to determine at the time the seed is used in a growing process whether the use of the seed is

exempt from tax under this section, the owner may defer payment of the use tax until it is determined that the seedlings will be planted for growing timber in Washington. For the purposes of this section, "Indian country" has the meaning given in RCW 82.24.010. [2001 c 129 § 3.]

Finding—Intent—Retroactive application—2001 c 129: See notes following RCW 82.08.850.

RCW 82.12.855 Exemptions—Replacement parts for qualifying farm machinery and equipment. (1) The provisions of this chapter do not apply in respect to the use by an eligible farmer of:

(a) Replacement parts for qualifying farm machinery and equipment;

(b) Labor and services rendered in respect to the installing of replacement parts; and

(c) Labor and services rendered in respect to the repairing of qualifying farm machinery and equipment, provided that during the course of repairing no tangible personal property is installed, incorporated, or placed in, or becomes a component of, the qualifying farm machinery and equipment other than replacement parts.

(2) (a) Notwithstanding anything to the contrary in this chapter, if a single transaction involves services that are not exempt under this section and services that would be exempt under this section if provided separately, the exemptions provided in subsection (1) (b) and (c) of this section apply if: (i) The seller makes a separately itemized charge for labor and services described in subsection (1) (b) or (c) of this section; and (ii) the separately itemized charge does not exceed the seller's usual and customary charge for such services.

(b) If the requirements in (a) (i) and (ii) of this subsection (2) are met, the exemption provided in subsection (1) (b) or (c) of this section applies to the separately itemized charge for labor and services described in subsection (1) (b) or (c) of this section.

(3) The definitions and recordkeeping requirements in RCW 82.08.855 apply to this section.

(4) If a person is an eligible farmer as defined in RCW 82.08.855(4) (b) (iv) who cannot prove income because the person is new to farming or newly returned to farming, the exemption under this section will apply only if one of the conditions in RCW 82.08.855(3) (b) (i) (A) or (B) is met. If neither of those conditions are met, any taxes for which an exemption under this section was claimed and interest on such taxes must be paid. Amounts due under this subsection shall be in accordance with RCW 82.08.855(3) (b) (ii).

(5) Except as provided in subsection (4) of this section, the department may not assess the tax imposed under this chapter against a person who no longer qualifies as an eligible farmer with respect to the use of any articles or services exempt under subsection (1) of this section, if the person was an eligible farmer when the person first put the articles or services to use in this state. [2014 c 97 § 603; 2007 c 332 § 2; 2006 c 172 § 2.]

Effective date—2006 c 172: See note following RCW 82.08.855.

RCW 82.12.860 Exemptions—Property and services acquired from a federal credit union. (1) This chapter does not apply to state credit unions with respect to the use of any article of tangible personal property, digital good, digital code, digital automated service, service defined as a retail sale in RCW 82.04.050 (2) (a) or (g) or (6) (c), or extended warranty, acquired from a federal credit union, foreign credit union, or out-of-state credit union as a result of a merger or conversion.

(2) For purposes of this section, the following definitions apply:

(a) "Federal credit union" means a credit union organized and operating under the laws of the United States.

(b) "Foreign credit union" means a credit union organized and operating under the laws of another country or other foreign jurisdiction.

(c) "Out-of-state credit union" means a credit union organized and operating under the laws of another state or United States territory or possession.

(d) "State credit union" means a credit union organized and operating under the laws of this state. [2017 c 323 § 526; 2015 c 169 § 10; 2009 c 535 § 621; 2006 c 11 § 1.]

Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323: See note following RCW 82.04.040.

Effective date—2015 c 169: See note following RCW 82.04.050.

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

RCW 82.12.865 Exemptions—Diesel, biodiesel, and aircraft fuel for farm fuel users. (1) The provisions of this chapter do not apply with respect to the use of diesel fuel, biodiesel fuel, or aircraft fuel, by a farm fuel user for agricultural purposes. This exemption applies to a fuel blend if all of the component fuels of the blend would otherwise be exempt under this subsection if the component fuels were acquired as separate products.

(2) The definitions in RCW 82.08.865 apply to this section. [2010 c 106 § 222; 2007 c 443 § 2; 2006 c 7 § 2.]

Effective date—2010 c 106: See note following RCW 35.102.145.

Effective date—2007 c 443: See note following RCW 82.08.865.

Effective date—2006 c 7: See note following RCW 82.08.865.

Additional use tax exemption for fuel: RCW 82.12.0256.

RCW 82.12.875 Automotive adaptive equipment. (Expires July 1, 2028.) (1) The tax imposed by RCW 82.12.020 does not apply to the use of prescribed add-on automotive adaptive equipment or to labor and services rendered in respect to the installation and repairing of such equipment. The exemption under this section only applies if the sale

of the prescribed add-on automotive adaptive equipment or labor and services was exempt from sales tax under RCW 82.08.875 or would have been exempt from sales tax under RCW 82.08.875 if the equipment or labor and services had been purchased in this state.

(2) For purposes of this section, "prescribed add-on automotive adaptive equipment" has the same meaning as provided in RCW 82.08.875.

(3) This section expires July 1, 2028. [2018 c 130 § 4; 2013 c 211 § 3.]

Findings—Intent—Tax preference performance statement—2018 c 130: See notes following RCW 82.08.875.

Findings—Intent—Effective date—2013 c 211: See notes following RCW 82.08.875.

RCW 82.12.880 Exemptions—Animal pharmaceuticals. (1) The provisions of this chapter do not apply with respect to the use by farmers or by veterinarians of animal pharmaceuticals approved by the United States department of agriculture or by the United States food and drug administration, if the pharmaceutical is administered to an animal that is raised by a farmer for the purpose of producing for sale an agricultural product.

(2) The definitions in RCW 82.08.880 apply to this section. [2001 2nd sp.s. c 17 § 2.]

Effective date—2001 2nd sp.s. c 17: See note following RCW 82.08.880.

RCW 82.12.890 Exemptions—Livestock nutrient management equipment and facilities. (1) The provisions of this chapter do not apply with respect to the use by an eligible person of:

(a) Qualifying livestock nutrient management equipment;

(b) Labor and services rendered in respect to installing, repairing, cleaning, altering, or improving qualifying livestock nutrient management equipment; and

(c) (i) Tangible personal property that becomes an ingredient or component of qualifying livestock nutrient management facilities in the course of repairing, cleaning, altering, or improving of such facilities.

(ii) The exemption provided in this subsection (1)(c) does not apply to the use of tangible personal property that becomes an ingredient or component of qualifying livestock nutrient management facilities during the course of constructing new, or replacing previously existing, qualifying livestock nutrient management facilities.

(2) (a) To be eligible, the equipment and facilities must be used exclusively for activities necessary to maintain a livestock nutrient management plan.

(b) The exemption applies to the use of tangible personal property and labor and services made after the livestock nutrient management plan is: (i) Certified under chapter 90.64 RCW; (ii) approved as part of the permit issued under chapter 90.48 RCW; or (iii) approved as required under RCW 82.08.890(4)(c) (iii).

(3) The definitions and recordkeeping requirements in RCW 82.08.890 apply to this section.

(4) The exemption under this section does not apply to the use of tangible personal property and services if first use of the property or services in this state occurs from July 1, 2010, through June 30, 2013. [2014 c 97 § 604; 2010 1st sp.s. c 23 § 602; 2009 c 469 § 602; 2006 c 151 § 3; 2003 c 5 § 15; 2001 2nd sp.s. c 18 § 3.]

Effective date—2010 1st sp.s. c 23 §§ 107, 601, 602, 702, 902, 1202, and 1401-1405: See note following RCW 82.04.2907.

Findings—Intent—2010 1st sp.s. c 23: See notes following RCW 82.04.220.

Effective date—2009 c 469: See note following RCW 82.08.962.

Effective date—Conservation commission—Report to legislature—2006 c 151: See notes following RCW 82.08.890.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Intent—Effective date—2001 2nd sp.s. c 18: See notes following RCW 82.08.890.

RCW 82.12.900 Exemptions—Anaerobic digesters. The provisions of this chapter do not apply with respect to:

(1) Equipment necessary to process biogas from a landfill into marketable coproducts, including but not limited to biogas conditioning, compression, and electrical generation equipment, or to services rendered in respect to installing, constructing, repairing, cleaning, altering, or improving equipment necessary to process biogas from a landfill into marketable coproducts; and

(2) The use of anaerobic digesters, tangible personal property that becomes an ingredient or component of anaerobic digesters, or the use of services rendered in respect to installing, repairing, cleaning, altering, or improving eligible tangible personal property by an eligible person establishing or operating an anaerobic digester, as defined in RCW 82.08.900. [2018 c 164 § 6; 2006 c 151 § 5; 2003 c 5 § 16; 2001 2nd sp.s. c 18 § 5.]

Reviser's note: The tax preference enacted in section 6, chapter 164, Laws of 2018 expires January 1, 2029, pursuant to the automatic expiration date established in RCW 82.32.805(1)(a).

Tax preference performance statement—Effective date—2018 c 164: See notes following RCW 82.08.900.

Effective date—Conservation commission—Report to legislature—2006 c 151: See notes following RCW 82.08.890.

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

Intent—Effective date—2001 2nd sp.s. c 18: See notes following RCW 82.08.890.

RCW 82.12.910 Exemptions—Propane or natural gas to heat chicken structures. (1) The provisions of this chapter do not apply with respect to the use by a farmer of propane or natural gas to heat structures used to house chickens. The propane or natural gas must be used exclusively to heat the structures used to house chickens. The structures must be used exclusively to house chickens that are sold as agricultural products.

(2) The exemption certificate, recordkeeping requirements, and definitions of RCW 82.08.910 apply to this section. [2001 2nd sp.s. c 25 § 4.]

Purpose—Intent—Part headings not law—2001 2nd sp.s. c 25: See notes following RCW 82.04.260.

RCW 82.12.920 Exemptions—Chicken bedding materials. (1) The provisions of this chapter do not apply with respect to the use by a farmer of bedding materials used to accumulate and facilitate the removal of chicken manure. The farmer must be raising chickens that are sold as agricultural products.

(2) The exemption certificate, recordkeeping requirements, and definitions of RCW 82.08.920 apply to this section. [2001 2nd sp.s. c 25 § 6.]

Purpose—Intent—Part headings not law—2001 2nd sp.s. c 25: See notes following RCW 82.04.260.

RCW 82.12.925 Exemptions—Dietary supplements. The provisions of this chapter shall not apply to the use of dietary supplements dispensed or to be dispensed to patients, pursuant to a prescription, if the dietary supplements are for human use. "Dietary supplement" has the same meaning as in RCW 82.08.0293. [2003 c 168 § 304.]

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

RCW 82.12.930 Exemptions—Watershed protection or flood prevention. The provisions of this chapter do not apply with respect to the use by municipal corporations, the state, and all political subdivisions thereof of tangible personal property consumed and/or of labor and services as defined in RCW 82.04.050(2)(a) rendered in respect to contracts for watershed protection and/or flood prevention. This exemption is limited to that portion of the selling price that is reimbursed by the United States government according to the provisions of the watershed protection and flood prevention act (68 Stat. 666; 16 U.S.C. Sec. 1001 et seq.). [2020 c 139 § 20; 2003 c 5 § 17.]

Finding—Intent—Retroactive application—Effective date—2003 c 5: See notes following RCW 82.12.010.

RCW 82.12.935 Exemptions—Disposable devices used to deliver prescription drugs for human use. The provisions of this chapter shall not apply to the use of disposable devices used to deliver drugs for human use, pursuant to a prescription. Disposable devices means the same as provided in RCW 82.08.935. [2003 c 168 § 407.]

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

RCW 82.12.940 Exemptions—Over-the-counter drugs for human use. The provisions of this chapter shall not apply to the use of over-the-counter drugs dispensed or to be dispensed to patients, pursuant to a prescription, if the over-the-counter drugs are for human use. "Over-the-counter drug" has the same meaning as in RCW 82.08.0281. [2003 c 168 § 408.]

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

RCW 82.12.945 Exemptions—Kidney dialysis devices. The provisions of this chapter shall not apply to the use of kidney dialysis devices, including repair and replacement parts, for human use pursuant to a prescription. In addition, the provisions of this chapter shall not apply in respect to the use of labor and services rendered in respect to the repairing, cleaning, altering, or improving of kidney dialysis devices. [2004 c 153 § 111; 2003 c 168 § 411.]

Retroactive effective date—Effective date—2004 c 153: See note following RCW 82.08.0293.

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

RCW 82.12.950 Exemptions—Steam, electricity, electrical energy. The provisions of this chapter shall not apply in respect to the use of steam, electricity, or electrical energy. [2003 c 168 § 704.]

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

RCW 82.12.956 Exemptions—Hog fuel used to generate electricity, steam, heat, or biofuel. (Expires June 30, 2024.) (1) The provisions of this chapter do not apply with respect to the use of hog fuel for production of electricity, steam, heat, or biofuel.

(2) For the purposes of this section:

(a) "Hog fuel" has the same meaning as provided in RCW 82.08.956; and

(b) "Biofuel" has the same meaning as provided in RCW 82.08.956.

(3) This section expires June 30, 2024. [2021 c 145 § 14; 2013 2nd sp.s. c 13 § 1003; 2009 c 469 § 302.]

Intent—Effective date—2013 2nd sp.s. c 13: See notes following RCW 82.08.956.

Effective date—2009 c 469: See note following RCW 82.08.962.

RCW 82.12.962 Exemptions—Use of machinery and equipment in generating electricity. (Expires January 1, 2030.) (1)(a) Subject to the requirements of this section, the tax imposed by RCW 82.12.020 does not apply to machinery and equipment used directly in generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, or technology that converts otherwise lost energy from exhaust, or to labor and services rendered in respect to installing such machinery and equipment, but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating not less than one thousand watts AC of electricity. Except as otherwise provided in this section, the consumer must pay the state and local use tax on the use of such machinery and equipment and labor and services, and apply to the department for a remittance of the tax paid.

(b) Beginning on July 1, 2011, through December 31, 2019, the amount of the exemption under this subsection (1) is equal to seventy-five percent of the state and local use tax paid. The consumer is eligible for an exemption under this subsection (1)(b) in the form of a remittance.

(c) Beginning January 1, 2020, through December 31, 2029, the purchaser is entitled to an exemption, in the form of a remittance, under this subsection (1)(c) in an amount equal to:

(i) Fifty percent of the state and local use tax paid, if:

(A) The exempt purchase is for machinery and equipment or labor and services rendered in respect to installing such machinery and equipment in (a) of this subsection, excluding qualified purchases under (c)(i)(B) of this subsection, and the department of labor and industries certifies that the project includes: Procurement from and contracts with women, minority, or veteran-owned businesses; procurement from and contracts with entities that have a history of complying with federal and state wage and hour laws and regulations; apprenticeship utilization; and preferred entry for workers living in the area where the project is being constructed. In the event that a project is built without one or more of these standards, and a project developer or its designated principal contractor demonstrates that it has made all good faith efforts to meet the standards but was unable to comply due to lack of availability of qualified businesses or local hires, the department of labor and industries may certify that the developer complied with that standard; or

(B) The exempt purchase is for machinery and equipment that is used directly in the generation of electricity by a solar energy system capable of generating more than one hundred kilowatts AC but no more than five hundred kilowatts AC of electricity, or labor and services rendered in respect to installing such machinery and equipment, and the department of labor and industries certifies that the project has met the requirements of (c)(i)(A) of this subsection, and the purchaser has provided the following documentation to the department as part of the application for a remittance:

(I) A copy of the contractor's certificate of registration in compliance with chapter 18.27 RCW;

(II) The contractor's current state unified business identifier number;

(III) A copy of the contractor's proof of industrial insurance coverage for the contractor's employees working in Washington as required in Title 51 RCW; employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW; and

(IV) Documentation of the contractor's history of compliance with federal and state wage and hour laws and regulations, consistent with (e)(ii)(D) of this subsection;

(ii) Seventy-five percent of the state and local use tax paid, if the department of labor and industries certifies that the project complies with (c)(i)(A) of this subsection and compensates workers at prevailing wage rates determined by local collective bargaining as determined by the department of labor and industries. This subsection (1)(c)(ii) does not apply with respect to solar energy systems described in (c)(i)(B) of this subsection; or

(iii) One hundred percent of the state and local use tax paid, if the department of labor and industries certifies that the project is developed under a community workforce agreement or project labor agreement. This subsection (1)(c)(iii) does not apply with respect to solar energy systems described in (c)(i)(B) of this subsection.

(d) In order to qualify for the remittance under (c) of this subsection, installation of the qualifying machinery and equipment must commence no earlier than January 1, 2020, and be completed by December 31, 2029.

(e) Beginning July 1, 2019, and through December 31, 2029, the consumer is entitled to an exemption under this subsection (1)(e) in an amount equal to one hundred percent of the state and local use tax due on:

(i) Machinery and equipment that is used directly in the generation of electricity by a solar energy system that is capable of generating no more than one hundred kilowatts AC of electricity; or

(ii) Labor and services rendered in respect to installing machinery and equipment exempt under (e)(i) of this subsection, and the seller meets the following requirements at the time of the purchase for which the exemption is claimed:

(A) Has obtained a certificate of registration in compliance with chapter 18.27 RCW;

(B) Has obtained a current state unified business identifier number;

(C) Possesses proof of industrial insurance coverage for the contractor's employees working in Washington as required in Title 51 RCW; employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW; and

(D) Has had no findings of violations of federal or state wage and hour laws and regulations in a final and binding order by an administrative agency or court of competent jurisdiction in the past twenty-four months.

(f) In order to qualify for the exemption under (e)(ii) of this subsection, installation of the qualifying machinery and equipment must commence no earlier than July 1, 2019, and be completed by December 31, 2029.

(2) The department of labor and industries must initiate an emergency rule making on May 7, 2019, to be completed by December 1, 2019, to:

(a) Define and set minimum requirements for all labor standards identified in subsection (1)(c) of this section; and

(b) Set requirements for all good faith efforts under subsection (1)(c)(i) and (ii) of this section, as well as documentation requirements and a certification process. Requirements for all good faith efforts must be designed to maximize the likelihood that the project is completed with said standards and could include: Proactive outreach to firms that are women, minority, and veteran-owned businesses; advertising in local community publications and publications appropriate to identified firms; participating in community job fairs, conferences, and trade shows; and other measures. The certification process and timeline must be designed to prevent undue delay to project development.

(3)(a)(i) A person claiming an exemption in the form of a remittance under subsection (1)(b) and (c) of this section must pay the tax imposed by RCW 82.12.020 and all applicable local use taxes imposed under the authority of chapters 82.14 and 81.104 RCW. The consumer may then apply to the department for remittance in a form and manner prescribed by the department. A consumer may not apply for a remittance under this section more frequently than once per quarter. The consumer must specify the amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The consumer must retain, in adequate detail, records to enable the department to determine whether the consumer is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(ii) The application for remittance must include a copy of the certificate issued for the project by the department of labor and industries under subsection (1) of this section.

(b) The department must determine eligibility for remittances under this section based on the information provided by the consumer, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying consumers who submitted applications during the previous quarter.

(4) Purchases exempt under RCW 82.08.962 are also exempt from the tax imposed under RCW 82.12.020.

(5) The definitions in RCW 82.08.962 apply to this section.

(6) The exemption provided in subsection (1) of this section does not apply:

(a) To machinery and equipment used directly in the generation of electricity using solar energy and capable of generating no more than five hundred kilowatts AC of electricity, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, when first use within this state of such machinery and equipment, or labor and services, occurs after September 30, 2017, and before January 1, 2020, except as otherwise provided in subsection (7) of this section; and

(b) To any other machinery and equipment described in subsection (1)(a) of this section, or to sales of or charges made for labor and services rendered in respect to installing such machinery or equipment, when first use within this state of such machinery and equipment, or labor and services, occurs after December 31, 2029.

(7)(a) The exemption provided by this section is reinstated for machinery and equipment for solar energy systems capable of generating more than one hundred kilowatts AC but no more than five hundred kilowatts AC of electricity, or sales of or charges made for labor and

services rendered in respect to installing such machinery and equipment, if first use within the state of the machinery and equipment commences on or after January 1, 2020.

(b) The exemption provided by this section is reinstated for machinery and equipment for solar energy systems capable of generating no more than one hundred kilowatts AC of electricity, or sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, if first use within the state of the machinery and equipment commences on or after July 1, 2019.

(8) This section expires January 1, 2030. [2019 c 288 § 19; 2018 c 164 § 7; 2017 3rd sp.s. c 36 § 16; 2013 2nd sp.s. c 13 § 1505; 2009 c 469 § 102.]

Tax preference performance statement—2019 c 288 §§ 18 and 19:
See note following RCW 82.08.962.

Findings—Intent—Effective date—2019 c 288: See RCW 19.405.010 and 19.405.901.

Effective date—2018 c 164: See note following RCW 82.08.900.

Findings—Intent—Effective date—2017 3rd sp.s. c 36: See notes following RCW 82.16.130.

Intent—Effective date—2013 2nd sp.s. c 13: See notes following RCW 82.08.962.

Effective date—2009 c 469: See note following RCW 82.08.962.

RCW 82.12.964 Use of machinery and equipment used in generating electricity—Effect of exemption expiration. (1) Except as provided in subsection (2) of this section, the expiration of RCW 82.12.02567 and 82.12.962 do not require the payment of, or authorize the department to assess, use tax imposed by or under the authority of RCW 82.12.020, 81.104.170, and chapter 82.14 RCW, on the use of machinery and equipment, and labor and services rendered in respect to installing such machinery and equipment, if such use qualified for the exemption under RCW 82.12.02567 or 82.12.962 immediately preceding the expiration date of the applicable exemption under RCW 82.12.02567 or 82.12.962.

(2) Subsection (1) of this section does not prohibit the department from assessing, subject to the limitations period in RCW 82.32.050, state and local use taxes on the use of machinery and equipment, and labor and services rendered in respect to installing such machinery and equipment, if, before the expiration of the applicable exemption provided in RCW 82.12.02567 or 82.12.962, the machinery and equipment was put to a use that is outside of the scope of the applicable exemption in RCW 82.12.02567 or 82.12.962. [2009 c 469 § 109.]

Effective date—2009 c 469: See note following RCW 82.08.962.

RCW 82.12.965 Exemptions—Semiconductor materials manufacturing. (Contingent effective date; contingent expiration date.) (1) The

provisions of this chapter do not apply with respect to the use of tangible personal property that will be incorporated as an ingredient or component of new buildings used for the manufacturing of semiconductor materials during the course of constructing such buildings or to labor and services rendered in respect to installing, during the course of constructing, building fixtures not otherwise eligible for the exemption under RCW 82.08.02565(2)(b).

(2) The eligibility requirements, conditions, and definitions in RCW 82.08.965 apply to this section, including the filing of a complete annual tax performance report with the department under RCW 82.32.534.

(3) No exemption may be taken after the expiration date of this section, however all of the eligibility criteria and limitations are applicable to any exemptions claimed before that date.

(4) This section expires January 1, 2024, unless the contingency in RCW 82.32.790(2) occurs. [2017 3rd sp.s. c 37 § 512; (2017 3rd sp.s. c 37 § 511 expired January 1, 2018); 2017 c 135 § 30; 2010 c 114 § 129; 2003 c 149 § 6.]

Effective date—2017 3rd sp.s. c 37 §§ 101-104, 403, 503, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 703, 705, 707, and 801-803: See note following RCW 82.04.2404.

Expiration date—2017 3rd sp.s. c 37 §§ 502, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, and 525: See note following RCW 82.04.2404.

Contingent effective date—2017 c 135; 2010 c 114: See RCW 82.32.790.

Effective date—2017 c 135: See note following RCW 82.32.534.

Finding—Intent—2010 c 114: See note following RCW 82.32.534.

Findings—Intent—2003 c 149: See note following RCW 82.04.426.

RCW 82.12.9651 Exemptions—Gases and chemicals used in production of semiconductor materials. (Expires December 1, 2028.)

(1) The provisions of this chapter do not apply with respect to the use of gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials. This exemption is limited to gases and chemicals used in the production process to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the production process, or uses of gases and chemicals to clean the chambers and other like equipment in which such processing takes place. For purposes of this section, "semiconductor materials" has the meaning provided in RCW 82.04.2404 and 82.04.294(3).

(2) A person claiming the exemption under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(3) No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(4) Any person who has claimed the exemption under this section must reimburse the department for fifty percent of the amount of the tax preference under this section, if the number of persons employed by the person claiming the tax preference is less than ninety percent of the person's three-year employment average for the three years immediately preceding the year in which the exemption is claimed.

(5) This section expires December 1, 2028. [2021 c 145 § 15; 2020 c 139 § 22; 2017 3rd sp.s. c 37 § 508; (2017 3rd sp.s. c 37 § 507 expired January 1, 2018); 2017 c 135 § 31; 2014 c 97 § 406; 2010 c 114 § 130; 2009 c 469 § 503; 2006 c 84 § 4.]

Tax preference performance statement—2017 3rd sp.s. c 37 §§ 505-508: See note following RCW 82.08.9651.

Effective date—2017 3rd sp.s. c 37 §§ 101-104, 403, 503, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 703, 705, 707, and 801-803: See note following RCW 82.04.2404.

Expiration date—2017 3rd sp.s. c 37 §§ 502, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, and 525: See note following RCW 82.04.2404.

Effective date—2017 c 135: See note following RCW 82.32.534.

Application—Finding—Intent—2010 c 114: See notes following RCW 82.32.534.

Effective date—2009 c 469: See note following RCW 82.08.962.

Effective date—2006 c 84 §§ 2-8: See note following RCW 82.04.2404.

Findings—Intent—2006 c 84: See note following RCW 82.04.2404.

RCW 82.12.970 Exemptions—Gases and chemicals used to manufacture semiconductor materials. (Contingent effective date; contingent expiration date.) (1) The provisions of this chapter do not apply with respect to the use of gases and chemicals used by a manufacturer or processor for hire in the manufacturing of semiconductor materials. This exemption is limited to gases and chemicals used in the manufacturing process to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the manufacturing process, or uses of gases and chemicals to clean the chambers and other like equipment in which such processing takes place. For purposes of this section, "semiconductor materials" has the same meaning as provided in RCW 82.04.240(2).

(2) A person claiming the exemption under this section must file a complete annual tax performance report with the department under RCW 82.32.534. No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(3) This section expires January 1, 2024, unless the contingency in RCW 82.32.790(2) occurs. [2017 3rd sp.s. c 37 § 522; (2017 3rd sp.s. c 37 § 521 expired January 1, 2018); 2017 c 135 § 32; 2010 c 114 § 131; 2003 c 149 § 8.]

Effective date—2017 3rd sp.s. c 37 §§ 101-104, 403, 503, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 703, 705, 707, and 801-803: See note following RCW 82.04.2404.

Expiration date—2017 3rd sp.s. c 37 §§ 502, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, and 525: See note following RCW 82.04.2404.

Contingent effective date—2017 c 135; 2010 c 114: See RCW 82.32.790.

Effective date—2017 c 135: See note following RCW 82.32.534.

Finding—Intent—2010 c 114: See note following RCW 82.32.534.

Findings—Intent—2003 c 149: See note following RCW 82.04.426.

RCW 82.12.975 Computer parts and software related to the manufacture of commercial airplanes. (*Expires July 1, 2040.*) (1) The provisions of this chapter do not apply in respect to the use of computer hardware, computer peripherals, or software, not otherwise eligible for exemption under RCW 82.12.02565, used primarily in the development, design, and engineering of aerospace products or in providing aerospace services, or to the use of labor and services rendered in respect to installing the computer hardware, computer peripherals, or software.

(2) As used in this section, "peripherals," "aerospace products," and "aerospace services" have the same meanings as provided in RCW 82.08.975.

(3) This section expires July 1, 2040. [2013 3rd sp.s. c 2 § 12; 2008 c 81 § 3; 2003 2nd sp.s. c 1 § 10.]

Contingent effective date—2013 3rd sp.s. c 2: See RCW 82.32.850.

Findings—Intent—2013 3rd sp.s. c 2: See note following RCW 82.32.850.

Findings—Savings—Effective date—2008 c 81: See notes following RCW 82.08.975.

Finding—2003 2nd sp.s. c 1: See note following RCW 82.04.4461.

RCW 82.12.980 Exemptions—Labor, services, and personal property related to the manufacture of commercial airplanes. (*Expires July 1, 2040.*) (1) The provisions of this chapter do not apply with respect to the use of:

(a) Tangible personal property that will be incorporated as an ingredient or component in constructing new buildings for (i) a manufacturer engaged in the manufacturing of commercial airplanes or

the fuselages or wings of commercial airplanes or (ii) a port district, political subdivision, or municipal corporation, to be leased to a manufacturer engaged in the manufacturing of commercial airplanes or the fuselages or wings of commercial airplanes; or

(b) Labor and services rendered in respect to installing, during the course of constructing such buildings, building fixtures not otherwise eligible for the exemption under RCW 82.08.02565(2)(b).

(2) The eligibility requirements, conditions, and definitions in RCW 82.08.980 apply to this section, including the filing of a complete annual tax performance report with the department under RCW 82.32.534.

(3) This section expires July 1, 2040. [2017 c 135 § 33; 2013 3rd sp.s. c 2 § 4; 2010 c 114 § 132; 2003 2nd sp.s. c 1 § 12.]

Effective date—2017 c 135: See note following RCW 82.32.534.

Contingent effective date—2013 3rd sp.s. c 2: See RCW 82.32.850.

Findings—Intent—2013 3rd sp.s. c 2: See note following RCW 82.32.850.

Application—Finding—Intent—2010 c 114: See notes following RCW 82.32.534.

Finding—2003 2nd sp.s. c 1: See note following RCW 82.04.4461.

RCW 82.12.983 Exemptions—Wax and ceramic materials. The provisions of this chapter do not apply with respect to the use of wax and ceramic materials used to create molds consumed during the process of creating ferrous and nonferrous investment castings used in industrial applications. [2010 c 225 § 2.]

Reviser's note: Chapter 6, Laws of 2015 3rd sp.s. was signed by the governor on July 1, 2015. 2015 3rd sp.s. c 6 § 1202 removed the expiration date of 2010 c 225 §§ 1 and 2 by repealing 2010 c 225 § 4.

Tax preference performance statement—Tax preference intended to be permanent—2015 3rd sp.s. c 6: See notes following RCW 82.08.983.

Effective date—2010 c 225: See note following RCW 82.08.983.

RCW 82.12.985 Exemptions—Insulin. The provisions of this chapter shall not apply in respect to the use of insulin by humans. [2004 c 153 § 103.]

Retroactive effective date—Effective date—2004 c 153: See note following RCW 82.08.0293.

RCW 82.12.986 Exemptions—Eligible server equipment—Eligible power infrastructure—Computer data centers. (Expires July 1, 2053.)
(1)(a) An exemption from the tax imposed by RCW 82.12.020 is provided for the use by qualifying businesses or qualifying tenants of eligible server equipment to be installed, without intervening use, in an

eligible computer data center for which an exemption certificate under RCW 82.08.986 has been issued, and to the use of labor and services rendered in respect to installing such server equipment.

(b) Until July 1, 2048, this exemption also applies to the use by a qualifying business or qualifying tenant of eligible power infrastructure, including labor and services rendered in respect to installing, repairing, altering, or improving such infrastructure at an eligible computer data center for which an exemption certificate under RCW 82.08.986 has been issued.

(c) The exemptions provided in this section expire July 1, 2048.

(2) A qualifying business or a qualifying tenant is not eligible for the exemption under this section unless the department issued an exemption certificate to the qualifying business or a qualifying tenant for the exemption provided in RCW 82.08.986.

(3) The definitions and requirements in RCW 82.08.986 apply to this section.

(4) The exemption provided in subsection (1) of this section does not apply to the use of eligible server equipment and eligible power infrastructure, and the labor and services provided in subsection (1) of this section, if first used by qualifying businesses or qualifying tenants on or after July 1, 2048.

(5) This section expires July 1, 2053. [2022 c 267 § 4; 2015 3rd sp.s. c 6 § 303; 2012 2nd sp.s. c 6 § 304; 2010 1st sp.s. c 23 § 1602; 2010 1st sp.s. c 1 § 3.]

Tax preference performance statement—2022 c 267 §§ 3-6: See note following RCW 82.08.986.

Findings—Intent—2022 c 267: See note following RCW 82.08.986.

Effective dates—2015 3rd sp.s. c 6: See note following RCW 82.04.4266.

Tax preference performance statement—2015 3rd sp.s. c 6 §§ 302 and 303: See note following RCW 82.08.986.

Intent—Finding—2012 2nd sp.s. c 6 §§ 302, 303, and 304: See note following RCW 82.08.986.

Existing rights, liabilities, or obligations—Effective dates—Contingent effective dates—2012 2nd sp.s. c 6: See notes following RCW 82.04.29005.

Effective date—2010 1st sp.s. c 23: See note following RCW 82.32.655.

Findings—Intent—2010 1st sp.s. c 23: See notes following RCW 82.04.220.

Intent—Finding—Effective date—2010 1st sp.s. c 1: See notes following RCW 82.08.986.

RCW 82.12.9861 Exemptions—Eligible server equipment—Eligible power infrastructure—Computer data centers in counties with populations over 800,000. (Expires July 1, 2043.) (1) An exemption

from the tax imposed by RCW 82.12.020 is provided for the use by qualifying businesses or qualifying tenants of eligible server equipment to be installed, without intervening use, in an eligible computer data center, and to the use of labor and services rendered in respect to installing such server equipment. The exemption also applies to the use by a qualifying business or qualifying tenant of eligible power infrastructure, including labor and services rendered in respect to installing, repairing, altering, or improving such infrastructure.

(2) The exemption provided in this section does not apply to any person for whom the exemption under RCW 82.08.9861 does not apply.

(3) A qualifying business or a qualifying tenant claiming an exemption under this section must complete an annual tax performance report as required in RCW 82.32.534. The report must identify construction firm names and employment levels used for constructing, renovating, refurbishing, or remodeling the data centers.

(4) The definitions and requirements in RCW 82.08.9861 apply to this section.

(5) The exemption provided in subsection (1) of this section does not apply to the use of eligible server equipment and eligible power infrastructure, and the labor and services provided in subsection (1) of this section, if first used by qualifying businesses or qualifying tenants on or after July 1, 2038.

(6) This section expires July 1, 2043. [2022 c 267 § 6.]

Tax preference performance statement—2022 c 267 §§ 3-6: See note following RCW 82.08.986.

Findings—Intent—2022 c 267: See note following RCW 82.08.986.

RCW 82.12.995 Exemptions—Certain limited purpose public corporations, commissions, and authorities. (1) The provisions of this chapter do not apply with respect to the use of personal property and services provided by a public corporation, commission, or authority created under RCW 35.21.660 or 35.21.730 to an eligible entity.

(2) For purposes of this section, "eligible entity" means a limited liability company, a limited partnership, or a single asset entity, described in RCW 82.04.615. [2009 c 535 § 622; 2007 c 381 § 3.]

Intent—Construction—2009 c 535: See notes following RCW 82.04.192.

RCW 82.12.996 Exemptions—Battery-powered electric marine propulsion systems—Qualifying vessels. (Expires July 1, 2030.) (1) The tax imposed by RCW 82.12.020 does not apply to the use of:

(a) New battery-powered electric marine propulsion systems with continuous power greater than fifteen kilowatts;

(b) New vessels equipped with propulsion systems that qualify under (a) of this subsection;

(c) (i) Batteries and battery packs used to exclusively power electric marine propulsion systems or hybrid electric marine

propulsion systems, if such systems operate with a continuous power greater than fifteen kilowatts;

(ii) Labor and services rendered in respect to installing, repairing, altering, or improving batteries or battery packs that qualify under (c)(i) of this subsection; and

(d)(i) New shoreside batteries purchased and installed for the purpose of reducing grid demand when charging electric and hybrid vessels;

(ii) Labor and services rendered in respect to installing, altering, or improving shoreside batteries; and

(iii) Tangible personal property that will become a component of shoreside batteries infrastructure.

(2) Sellers may make tax exempt sales under this section only if the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(3) The definitions in RCW 82.08.996 apply to this section.

(4) This section expires July 1, 2030. [2020 c 341 § 2; 2019 c 287 § 22.]

Effective date—2020 c 341: See note following RCW 82.08.996.

Tax preference performance statement—2020 c 341 §§ 1 and 2; 2019 c 287 §§ 21 and 22: See note following RCW 82.08.996.

Effective date—2019 c 287: See note following RCW 82.29A.125.

Findings—Intent—2019 c 287: See note following RCW 28B.30.903.

RCW 82.12.998 Exemptions—Weatherization of a residence. (1) The provisions of this chapter do not apply to the use of tangible personal property used in the weatherization of a residence under the weatherization assistance program under chapter 70A.35 RCW. The exemption only applies to tangible personal property that becomes a component of the residence.

(2) "Residence" and "weatherization" have the meanings provided in RCW 70A.35.020. [2020 c 20 § 1481; 2008 c 92 § 2.]

RCW 82.12.999 Exemptions—Joint municipal utility services authorities. The tax levied by RCW 82.12.020 shall not apply to any sales, or uses by, or transfers made, to or from a joint municipal utility services authority formed under chapter 39.106 RCW and any of its members. [2011 c 258 § 13.]

Short title—Purpose—Intent—2011 c 258: See RCW 39.106.010.

RCW 82.12.9994 Exemptions—Bottled water—Prescription use. (1) The provisions of this chapter do not apply in respect to the use of bottled water dispensed or to be dispensed to patients pursuant to a prescription for use in the cure, mitigation, treatment, or prevention of disease or medical condition.

(2) For the purposes of this section, "prescription" has the same meaning as provided in RCW 82.08.9994. [2017 3rd sp.s. c 28 § 104.]

Existing rights and liability—Severability—Application—Effective dates—2017 3rd sp.s. c 28: See notes following RCW 82.08.0531.

RCW 82.12.99941 Exemptions—Bottled water—Primary water source unsafe. The provisions of this chapter do not apply in respect to the use of bottled water by persons whose primary source of drinking water is unsafe as provided in RCW 82.08.99941. [2017 3rd sp.s. c 28 § 106.]

Existing rights and liability—Severability—Application—Effective dates—2017 3rd sp.s. c 28: See notes following RCW 82.08.0531.

RCW 82.12.9995 Exemptions—Restaurant employee meals. (1) The provisions of this chapter do not apply in respect to a meal provided without specific charge by a restaurant to its employees.

(2) For the purposes of this section, the definitions in RCW 82.08.9995 apply. [2015 c 86 § 304; 2011 c 55 § 3.]

Effective date—2011 c 55: See note following RCW 82.08.9995.

RCW 82.12.9996 Exemptions—Vessel deconstruction. (1) This chapter does not apply to the use of vessel deconstruction services performed at:

(a) A qualified vessel deconstruction facility; or

(b) An area over water that has been permitted under section 402 of the federal clean water act of 1972 (33 U.S.C. Sec. 1342) for vessel deconstruction.

(2) The definitions in RCW 82.08.9996(2) apply to this section. [2014 c 195 § 302.]

Reviser's note: Section 302, chapter 195, Laws of 2014 expires January 1, 2025, pursuant to the automatic expiration date established in RCW 82.32.805(1) (a).

Effective date—2014 c 195 §§ 301 and 302: See note following RCW 82.08.9996.

Findings—Intent—2014 c 195: See notes following RCW 79.100.170 and 79.100.180.

RCW 82.12.9997 Exemptions—Cannabis, useable cannabis, cannabis concentrates, and cannabis-infused products covered by cannabis agreement between state and tribe. The taxes imposed by this chapter do not apply to the use of cannabis, useable cannabis, cannabis concentrates, and cannabis-infused products covered by an agreement entered into under RCW 43.06.490. "Cannabis," "useable cannabis," "cannabis concentrates," and "cannabis-infused products" have the same meaning as defined in RCW 69.50.101. The provisions of RCW 82.32.805 and 82.32.808 do not apply to this section. [2022 c 56 § 8; 2022 c 16 § 159; 2015 c 207 § 5.]

Reviser's note: This section was amended by 2022 c 16 § 159 and by 2022 c 56 § 8, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Intent—Finding—2015 c 207: See note following RCW 43.06.490.

RCW 82.12.9998 Exemptions—Cannabis concentrates, useable cannabis, or cannabis-infused products—Products containing low amounts of THC. (1) The provisions of this chapter do not apply to:

(a) The use of cannabis concentrates, useable cannabis, or cannabis-infused products, identified by the department of health in rules adopted under RCW 69.50.375(4) in chapter 246-70 WAC as being a compliant cannabis product, by qualifying patients or designated providers who have been issued recognition cards and have obtained such products from a cannabis retailer with a medical cannabis endorsement.

(b) The use of products containing THC with a THC concentration of 0.3 percent or less by qualifying patients or designated providers who have been issued recognition cards and have obtained such products from a cannabis retailer with a medical cannabis endorsement.

(c)(i) Cannabis retailers with a medical cannabis endorsement with respect to:

(A) Cannabis concentrates, useable cannabis, or cannabis-infused products; or

(B) Products containing THC with a THC concentration of 0.3 percent or less;

(ii) The exemption in this subsection (1)(c) applies only if such products are provided at no charge to a qualifying patient or designated provider who has been issued a recognition card. Each such retailer providing such products at no charge must maintain information establishing eligibility for this exemption in the form and manner required by the department.

(d) The use of cannabis concentrates, useable cannabis, or cannabis-infused products, identified by the department of health under RCW 69.50.375 to have a low THC, high CBD ratio, and to be beneficial for medical use, purchased from cannabis retailers with a medical cannabis endorsement.

(e) Health care professionals with respect to the use of products containing THC with a THC concentration of 0.3 percent or less provided at no charge by the health care professionals under RCW 69.51A.280. Each health care professional providing such products at no charge must maintain information establishing eligibility for this exemption in the form and manner required by the department.

(f) The use of topical, noningestible products containing THC with a THC concentration of 0.3 percent or less by qualifying patients when purchased from or provided at no charge by a health care professional under RCW 69.51A.280.

(g) The use of:

(i) Cannabis, cannabis concentrates, useable cannabis, cannabis-infused products, or products containing THC with a THC concentration of 0.3 percent or less, by a cooperative and its members, when produced by the cooperative; and

(ii) Any nonmonetary resources and labor by a cooperative when contributed by its members. However, nothing in this subsection (1)(g) may be construed to exempt the individual members of a cooperative from the tax imposed in RCW 82.12.020 on the use of any property or services purchased by the member and contributed to the cooperative.

(2) The definitions in RCW 82.08.9998 apply to this section.
[2022 c 16 § 160; 2019 c 393 § 5; 2015 2nd sp.s. c 4 § 208.]

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Effective date—2019 c 393: See note following RCW 69.50.345.

Intent—2019 c 393: See note following RCW 69.50.346.

Applicability—2015 2nd sp.s. c 4 §§ 207 and 208: See note following RCW 82.08.9998.

Findings—Intent—Effective dates—2015 2nd sp.s. c 4: See notes following RCW 69.50.334.

RCW 82.12.9999 Exemptions—Vehicles using clean alternative fuels and electric vehicles. (Expires August 1, 2028.) (1) Beginning August 1, 2019, beginning with sales made or lease agreements signed on or after the qualification period start date:

(a) The provisions of this chapter do not apply as provided in (b) of this subsection in respect to the use of new or used passenger cars, light duty trucks, and medium duty passenger vehicles that:

(i) Are exclusively powered by a clean alternative fuel; or

(ii) Use at least one method of propulsion that is capable of being reenergized by an external source of electricity and are capable of traveling at least 30 miles using only battery power; and

(iii) (A) Have a fair market value at the time use tax is imposed for purchased vehicles that:

(I) For a vehicle that is a new vehicle at the time of the purchase date or the date the lease agreement was signed, does not exceed \$45,000; or

(II) For a vehicle that is a used vehicle at the time of the purchase date or the date the lease agreement was signed, does not exceed \$30,000; or

(B) Have a fair market value at the inception of the lease for leased vehicles that:

(I) For a vehicle that is a new vehicle at the time of the purchase date or the date the lease agreement was signed, does not exceed \$45,000; or

(II) For a vehicle that is a used vehicle at the time of the purchase date or the date the lease agreement was signed, does not exceed \$30,000;

(b) (i) The exemption in this section is only applicable for up to the amounts specified in (b) (ii) or (iii) of this subsection of:

(A) The total amount of the vehicle's purchase price, for sales made; or

(B) The total lease payments made plus any additional purchase price of the leased vehicle if the original lessee purchases the leased vehicle before the qualification period end date, for lease agreements signed.

(ii) Based on the purchase date or the date the lease agreement was signed of the vehicle if the vehicle is a new vehicle at the time of the purchase date or the date the lease agreement was signed:

(A) From the qualification period start date until July 31, 2021, the maximum amount eligible under (b) (i) of this subsection is \$25,000;

(B) From August 1, 2021, until July 31, 2023, the maximum amount eligible under (b) (i) of this subsection is \$20,000;

(C) From August 1, 2023, until July 31, 2025, the maximum amount eligible under (b) (i) of this subsection is \$15,000.

(iii) If the vehicle is a used vehicle at the time of the purchase date or the date the lease agreement was signed, the maximum amount eligible under (b) (i) of this subsection is \$16,000.

(2) (a) The seller must keep records necessary for the department to verify eligibility under this section, except as provided in (b) of this subsection. A person claiming the exemption must also submit itemized information to the department for all vehicles for which an exemption is claimed that must include the following: Vehicle make; vehicle model; model year; whether the vehicle has been sold or leased; date of sale or start date of lease; length of lease; fair market value of the vehicle; and the total amount qualifying for the incentive claimed for each vehicle, in addition to the future monthly amount to be claimed for each leased vehicle. This information must be provided in a form and manner prescribed by the department.

(b) (a) of this subsection applies only if the seller or person claiming the exemption is a vehicle dealer, as defined under RCW 46.70.011. When the seller is not a vehicle dealer, the department of licensing must establish a process for granting the tax exemption under this section for use tax otherwise collected at the time the ownership of a vehicle is transferred when the vehicle qualifies for the use tax exemption under subsection (1) (a) of this section, and must provide any information required under (a) of this subsection that it obtains as part of the vehicle titling and registration process for these vehicles to the department on at least a quarterly basis.

(3) (a) Vehicles purchased or leased vehicles for which the lease agreement was signed after the qualification period end date do not qualify for the exemption under this section.

(b) All leased vehicles that qualified for the exemption under this section before the qualification period end date must continue to receive the exemption as described under subsection (1) (b) of this section on any lease payments due through the remainder of the lease before August 1, 2028.

(4) The definitions in RCW 82.08.9999 apply to this section.

(5) This section is supported by the revenues generated in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is enacted by June 30, 2019.

(6) This section expires August 1, 2028. [2022 c 182 § 306; 2019 c 287 § 10.]

Intent—Effective date—2022 c 182: See notes following RCW 70A.65.240.

Tax preference performance statement—2019 c 287 §§ 8-14: See note following RCW 82.04.4496.

Findings—Intent—2019 c 287: See note following RCW 28B.30.903.

RCW 82.12.99991 Tax preferences—Expiration dates. See RCW 82.32.805 for the expiration date of new tax preferences for the tax imposed under this chapter. [2013 2nd sp.s. c 13 § 1706.]

Effective date—2013 2nd sp.s. c 13: See note following RCW 82.04.43393.