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SENATE BILL 5884

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State of Washington

60th Legislature

2007 Regular Session

By Senators Jacobsen and Weinstein

Read first time 02/05/2007. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to creating a sales tax exemption for retail  
2 sellers for the state sales tax on interchange fees; and adding a new  
3 section to chapter 82.08 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW  
6 to read as follows:

7 (1) A seller may claim a credit against the tax imposed under RCW  
8 82.08.020 on their tax return for the amount of interchange fees  
9 charged on retail sales by a financial institution in the same calendar  
10 year as the tax is imposed.

11 (2) The credit in this section only applies to the state portion of  
12 the tax levied under RCW 82.08.020.

13 (3) The seller must keep records necessary to enable the department  
14 to verify eligibility under this section.

15 (4) For the purposes of this section, the following definitions  
16 apply:

17 (a) "Interchange fee" means the fee a merchant's financial  
18 institution pays to a cardholder's financial institution when a

1 cardholder uses a credit card or debit card as payment during a retail  
2 transaction.

3 (b) "Financial institution" has the same meaning as provided in RCW  
4 63.14.010(4).

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