
SENATE BILL 5938

State of Washington

66th Legislature

2019 Regular Session

By Senators Rolfes and Frockt

1 AN ACT Relating to funding the state debt reduction account;
2 amending RCW 82.45.060, 82.16.020, and 82.18.040; and adding a new
3 section to chapter 43.79 RCW.

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

5 **Sec. 1.** RCW 82.45.060 and 2017 3rd sp.s. c 10 s 13 are each
6 amended to read as follows:

7 There is imposed an excise tax upon each sale of real property at
8 the rate of one and twenty-eight one-hundredths percent of the
9 selling price. Beginning July 1, 2013, and ending June 30, (~~2023~~)
10 2019, an amount equal to two percent of the proceeds of this tax must
11 be deposited in the public works assistance account created in RCW
12 43.155.050, and an amount equal to four and one-tenth percent must be
13 deposited in the education legacy trust account created in RCW
14 83.100.230. Beginning July 1, 2019, and ending June 30, 2023, an
15 amount equal to two percent of the proceeds of this tax must be
16 deposited in the public works assistance account created in RCW
17 43.155.050, and an amount equal to four and one-tenth percent must be
18 deposited in the state debt reduction account created in section 4 of
19 this act. Thereafter, an amount equal to six and one-tenth percent of
20 the proceeds of this tax to the state treasurer must be deposited in
21 the public works assistance account created in RCW 43.155.050. Except

1 as otherwise provided in this section, an amount equal to one and
2 six-tenths percent of the proceeds of this tax to the state treasurer
3 must be deposited in the city-county assistance account created in
4 RCW 43.08.290.

5 **Sec. 2.** RCW 82.16.020 and 2017 3rd sp.s. c 10 s 14 are each
6 amended to read as follows:

7 (1) There is levied and collected from every person a tax for the
8 act or privilege of engaging within this state in any one or more of
9 the businesses herein mentioned. The tax is equal to the gross income
10 of the business, multiplied by the rate set out after the business,
11 as follows:

12 (a) Express, sewerage collection, and telegraph businesses: Three
13 and six-tenths percent;

14 (b) Light and power business: Three and sixty-two one-hundredths
15 percent;

16 (c) Gas distribution business: Three and six-tenths percent;

17 (d) Urban transportation business: Six-tenths of one percent;

18 (e) Vessels under sixty-five feet in length, except tugboats,
19 operating upon the waters within the state: Six-tenths of one
20 percent;

21 (f) Motor transportation, railroad, railroad car, and tugboat
22 businesses, and all public service businesses other than ones
23 mentioned above: One and eight-tenths of one percent;

24 (g) Water distribution business: Four and seven-tenths percent;

25 (h) Log transportation business: One and twenty-eight one-
26 hundredths percent. The reduced rate established in this subsection
27 (1)(h) is not subject to the ten-year expiration provision in RCW
28 82.32.805(1)(a).

29 (2) An additional tax is imposed equal to the rate specified in
30 RCW 82.02.030 multiplied by the tax payable under subsection (1) of
31 this section.

32 (3) Twenty percent of the moneys collected under subsection (1)
33 of this section on water distribution businesses and sixty percent of
34 the moneys collected under subsection (1) of this section on sewerage
35 collection businesses must be deposited in the education legacy trust
36 account created in RCW 83.100.230 from July 1, 2013, through June 30,
37 ~~((2023))~~ 2019. Twenty percent of the moneys collected under
38 subsection (1) of this section on water distribution businesses and
39 sixty percent of the moneys collected under subsection (1) of this

1 section on sewerage collection businesses must be deposited in the
2 state debt reduction account created in section 4 of this act from
3 July 1, 2019, through June 30, 2023, and thereafter in the public
4 works assistance account created in RCW 43.155.050.

5 **Sec. 3.** RCW 82.18.040 and 2017 3rd sp.s. c 10 s 15 are each
6 amended to read as follows:

7 (1) Taxes collected under this chapter must be held in trust
8 until paid to the state. Except as otherwise provided in this
9 subsection (1), taxes received by the state must be deposited in the
10 public works assistance account created in RCW 43.155.050. For the
11 period beginning July 1, 2011, and ending June 30, 2015, taxes
12 received by the state under this chapter must be deposited in the
13 general fund for general purpose expenditures. For fiscal years 2016,
14 2017, and 2018, one-half of the taxes received by the state under
15 this chapter must be deposited in the general fund for general
16 purpose expenditures and the remainder deposited in the education
17 legacy trust account created in RCW 83.100.230. For fiscal year((s))
18 2019 ((~~through 2023~~)), taxes received by the state under this chapter
19 must be deposited in the education legacy trust account created in
20 RCW 83.100.230. For fiscal years 2020 through 2023, taxes received by
21 the state under this chapter must be deposited in the state debt
22 reduction account created in section 4 of this act. Any person
23 collecting the tax who appropriates or converts the tax collected is
24 guilty of a gross misdemeanor if the money required to be collected
25 is not available for payment on the date payment is due. If a
26 taxpayer fails to pay the tax imposed by this chapter to the person
27 charged with collection of the tax and the person charged with
28 collection fails to pay the tax to the department, the department
29 may, in its discretion, proceed directly against the taxpayer for
30 collection of the tax.

31 (2) The tax is due from the taxpayer within twenty-five days from
32 the date the taxpayer is billed by the person collecting the tax.

33 (3) The tax is due from the person collecting the tax at the end
34 of the tax period in which the tax is received from the taxpayer. If
35 the taxpayer remits only a portion of the total amount billed for
36 taxes, consideration, and related charges, the amount remitted must
37 be applied first to payment of the solid waste collection tax and
38 this tax has priority over all other claims to the amount remitted.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.79
2 RCW to read as follows:
3 The state debt reduction account is created in the state
4 treasury. Moneys in the account may be spent only after
5 appropriation. Moneys in the account consist of tax revenues directed
6 for deposit into the account and other moneys transferred or
7 appropriated into the account pursuant to legislative directive.
8 Expenditures from the account may be used only for payment of
9 interest and principal on bonds and other financing obligations for
10 projects authorized in an omnibus capital appropriations act.

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