
SENATE BILL 6446

State of Washington

66th Legislature

2020 Regular Session

By Senators Kuderer, Pedersen, Das, Wilson, C., and Hunt

Read first time 01/16/20. Referred to Committee on Housing Stability & Affordability.

1 AN ACT Relating to lodging taxes for affordable housing; amending
2 RCW 67.28.181 and 82.14.410; and adding a new section to chapter
3 67.28 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 67.28
6 RCW to read as follows:

7 (1)The legislative body of any county or any city where the
8 vacant home rate exceeds thirty percent is authorized to levy and
9 collect a special excise tax of not to exceed five percent on the
10 sale of or charge made for the furnishing of lodging that is subject
11 to tax under chapter 82.08 RCW.

12 (2) Moneys generated under this section must support affordable
13 housing programs, with at least fifty percent of the moneys for
14 affordable housing targeted to households earning less than eighty
15 percent of the area median income.

16 (3) For the purposes of this section, "vacant home" means a
17 housing unit that is not a principal residence of the owner, the
18 owner's family member or friend, or other permitted occupier for at
19 least six months of the calendar year; or is not rented for
20 residential purposes for at least six months of the calendar year, in
21 periods of thirty or more consecutive days.

1 **Sec. 2.** RCW 67.28.181 and 2015 3rd sp.s. c 24 s 703 are each
2 amended to read as follows:

3 (1) The legislative body of any municipality may impose an excise
4 tax on the sale of or charge made for the furnishing of lodging that
5 is subject to tax under chapter 82.08 RCW. The rate of tax shall not
6 exceed the lesser of two percent or a rate that, when combined with
7 all other taxes imposed upon sales of lodging within the municipality
8 under this chapter and chapters 36.100, (~~67.40,7~~) 82.08, and 82.14
9 RCW, equals twelve percent. A tax under this chapter shall not be
10 imposed in increments smaller than tenths of a percent.

11 (2) Notwithstanding subsection (1) of this section:

12 (a) If a municipality was authorized to impose taxes under this
13 chapter or RCW 67.40.100 or both with a total rate exceeding four
14 percent before July 27, 1997, such total authorization shall continue
15 through January 31, 1999, and thereafter the municipality may impose
16 a tax under this section at a rate not exceeding the rate actually
17 imposed by the municipality on January 31, 1999.

18 (b) If a city or town, other than a municipality imposing a tax
19 under (a) of this subsection, is located in a county that imposed
20 taxes under this chapter with a total rate of four percent or more on
21 January 1, 1997, the city or town may not impose a tax under this
22 section.

23 (c) If a city has a population of four hundred thousand or more
24 and is located in a county with a population of one million or more,
25 the rate of tax imposed under this chapter by the city shall not
26 exceed the lesser of four percent or a rate that, when combined with
27 all other taxes imposed upon sales of lodging in the municipality
28 under this chapter and chapters 36.100, (~~67.40,7~~) 82.08, and 82.14
29 RCW, equals fifteen and two-tenths percent.

30 (d) If a municipality was authorized to impose taxes under this
31 chapter or RCW 67.40.100, or both, at a rate equal to six percent
32 before January 1, 1998, the municipality may impose a tax under this
33 section at a rate not exceeding the rate actually imposed by the
34 municipality on January 1, 1998.

35 (3) Any county ordinance or resolution adopted under this section
36 shall contain a provision allowing a credit against the county tax
37 for the full amount of any city or town tax imposed under this
38 section upon the same taxable event.

39 (4) In determining the effective combined rate of tax for
40 purposes of the limit in subsections (1) and (2)(c) of this section,

1 the tax rates under RCW 82.14.530 (~~is~~) and section 1 of this act
2 are not included.

3 **Sec. 3.** RCW 82.14.410 and 2015 3rd sp.s. c 24 s 704 are each
4 amended to read as follows:

5 (1) A local sales and use tax change adopted after December 1,
6 2000, must provide an exemption for those sales of lodging for which,
7 but for the exemption, the total sales tax rate imposed on sales of
8 lodging would exceed the greater of:

9 (a) Twelve percent; or

10 (b) The total sales tax rate that would have applied to the sale
11 of lodging if the sale were made on December 1, 2000.

12 (2) For the purposes of this section:

13 (a) "Local sales and use tax change" is defined as provided in
14 RCW 82.14.055.

15 (b) "Sale of lodging" means the sale of or charge made for the
16 furnishing of lodging and all other services by a hotel, rooming
17 house, tourist court, motel, trailer camp, and the granting of any
18 similar license to use real property.

19 (c) "Total sales tax rate" means the combined rates of all state
20 and local taxes imposed under this chapter and chapters 36.100,
21 67.28, (~~(67.40,)~~) and 82.08 RCW, and any other tax authorized after
22 March 29, 2001, if the tax is in the nature of a sales tax collected
23 from the buyer, but excluding taxes imposed under RCW 81.104.170
24 before December 1, 2000, (~~and~~) taxes imposed under RCW 82.14.530,
25 and taxes imposed under section 1 of this act.

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