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CHAPTER 8  
[House Bill No. 34]  
REVENUE AND TAXATION--CODE CORRECTIONS

AN ACT Relating to revenue and taxation; amending and reenacting section 1, chapter 7, Laws of 1963, as last amended by section 3, chapter 255, Laws of 1969 ex. sess., and by section 30, chapter 262, Laws of 1969 ex. sess. and RCW 82.04.050; amending and reenacting section 82.04.280, chapter 15, Laws of 1961, as last amended by section 5, chapter 255, Laws of 1969 ex. sess., and by section 38, chapter 262, Laws of 1969 ex. sess., and RCW 82.04.280; amending and reenacting section 2, chapter 132, Laws of 1967 ex. sess., as amended by section 2, chapter 224, Laws of 1969 ex. sess., and by section 63, chapter 262, Laws of 1969 ex. sess. and RCW 84.36.129; amending and reenacting section 84.52.050, chapter 15, Laws of 1961 as last amended by section 1, chapter 216, Laws of 1969 ex. sess., and by section 65, chapter 262, Laws of 1969 ex. sess., and RCW 84.52.050; and declaring an emergency.

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

Section 1. Section 1, chapter 7, Laws of 1963, as last amended by section 3, chapter 255, Laws of 1969 ex. sess., and by section 30, chapter 262, Laws of 1969 ex. sess., and RCW 82.04.050 are each amended and reenacted to read as follows:

"Sale at retail" or "retail sale" means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than a sale

to a person who (a) purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person, or (b) installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person, or (c) purchases for the purpose of consuming the property purchased in producing for sale a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale. The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity classified as a "sale at retail" or "retail sale" even though such property is resold or utilized as provided in (a), (b), or (c) above following such use. The term also means every sale of tangible personal property to persons engaged in any business which is taxable under RCW 82.04.280, subsection (2), and 82.04.290.

The term "sale at retail" or "retail sale" shall include the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following: (a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of coin operated laundry facilities when such facilities are situated in an apartment house, hotel, motel, rooming house, trailer camp or tourist camp for the exclusive use of the tenants thereof, and excluding services rendered in respect to live animals, birds and insects; (b) the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, in-

cluding the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and shall also include the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture; (c) the sale of or charge made for labor and services rendered in respect to the cleaning, fumigating, razing or moving of existing buildings or structures, but shall not include the charge made for janitorial services; (d) the sale of or charge made for labor and services rendered in respect to automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16; (e) the sale of and charge made for the furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same; (f) the sale of or charge made for tangible personal property, labor and services to persons taxable under (a), (b), (c), (d), and (e) above when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this paragraph shall be construed to modify the first paragraph of this section and nothing contained in the first paragraph of this section shall be construed to modify this paragraph.

The term "sale at retail" or "retail sale" shall include the sale of or charge made for personal business or professional services, including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons

engaging in the following business activities: (a) amusement and recreation businesses including but not limited to golf, pool, billiards, skating, bowling, ski lifts and tows and others; (b) abstract, title insurance and escrow businesses; (c) credit bureau businesses; (d) automobile parking and storage garage businesses.

The term shall also include the renting or leasing of tangible personal property to consumers.

The term shall not include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any publicly owned street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is used or to be used primarily for foot or vehicular traffic including publicly owned mass transportation vehicles of any kind, nor shall it include sales of feed, seed, fertilizer, and spray materials to persons for the purpose of producing for sale any agricultural product whatsoever, including milk, eggs, wool, fur, meat, honey, or other substances obtained from animals, birds, or insects but only when such production and subsequent sale are exempt from tax under RCW 82.04.330, nor shall it include sales of chemical sprays or washes to persons for the purpose of post-harvest treatment of fruit for the prevention of scald, fungus, mold, or decay.

Upon and after the effective date of the provisions of (~~this amendatory act~~) chapter 262, Laws of 1969 ex. sess., as now or hereafter amended, which impose a tax upon net income, the term shall not include the sale of drugs or medicines either required by law to be dispensed or actually dispensed in accordance with the prescription of a licensed practitioner of one of the healing arts authorized by law to prescribe such drugs or medicines.

Sec. 2. Section 82.04.280, chapter 15, Laws of 1961, as last amended by section 5, chapter 255, Laws of 1969 ex. sess., and by section 38, chapter 262, Laws of 1969 ex. sess., and RCW 82.04.280 are each amended and reenacted to read as follows:

Upon every person engaging within this state in the business of: (1) Printing, and of publishing newspapers, periodicals or magazines; (2) building, repairing or improving any publicly owned street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is used or to be used, primarily for foot or vehicular traffic including publicly owned mass transportation vehicles of any kind and including any readjustment, reconstruction or relocation of the facilities of any public, private or cooperatively owned utility or railroad in the course of such building, repairing or improving, the cost of which readjustment, reconstruction, or relocation, is the responsibility of the public authority whose street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle is being built, repaired or improved; (3) extracting for hire or processing for hire; (4) operating a cold storage warehouse, but not including the rental of cold storage lockers; (5) representing and performing services for fire or casualty insurance companies as an independent resident managing general agent licensed under the provisions of RCW 48.05.310; (6) radio and television broadcasting, excluding network, national and regional advertising computed as a standard deduction based on the national average thereof as annually reported by the Federal Communications Commission, or in lieu thereof by itemization by the individual broadcasting station, and excluding that portion of revenue represented by the out-of-state audience computed as a ratio to the station's total audience as measured by the 100 micro-volt signal strength and delivery by wire, if any; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of forty-four one hundredths of one percent: PROVIDED, That upon and after the effective date of the provisions of ~~((this-amendatory-act))~~ chapter 262, Laws of 1969 ex. sess., as now or hereafter amended, which impose a tax upon net income, the amount of tax on such business shall be equal to the gross

income of the business multiplied by the rate of twenty-two one-hundredths of one percent.

Sec. 3. Section 2, chapter 132, Laws of 1967 ex. sess., as amended by section 2, chapter 224, Laws of 1969 ex. sess., and by section 63, chapter 262, Laws of 1969 ex. sess., and RCW 84.36.129 are each amended and reenacted to read as follows:

For the purposes of RCW 84.36.128:

(1) The term "residence" shall mean a single family dwelling, including the lot on which the dwelling stands. The term shall also include a single family dwelling situated upon lands the fee of which is vested in the United States or any instrumentality thereof including an Indian tribe or in the state of Washington, and notwithstanding the provisions of RCW 84.04.080, 84.04.090, or RCW 84.40.250, such a residence shall be deemed real property.

(2) The term "preceding calendar year" shall mean the calendar year preceding the year in which the property taxes for which the exemption is claimed are due and payable.

All claims for exemption shall be made and signed by the person entitled to the exemption, by his or her attorney in fact or, in the event the residence of such person is under mortgage or purchase contract requiring accumulation of reserves out of which the holder of the mortgage or contract is required to pay real estate taxes, by such holder, either before a notary public or the county assessor or his deputy in the county where the real property is located. Any person signing a false claim shall be subject to perjury.

Claims for exemption shall be made annually and filed between February 15 and April 30 of the year in which the taxes are payable and solely upon forms as prescribed and furnished by the department of revenue.

This section shall expire upon the date the provisions of ~~((this-1969-amendatory-act))~~ chapter 262, Laws of 1969 ex. sess., as now or hereafter amended, which impose a tax upon net income become

effective.

Sec. 4. Section 84.52.050, chapter 15, Laws of 1961 as last amended by section 1, chapter 216, Laws of 1969 ex. sess., and by section 65, chapter 262, Laws of 1969 ex. sess., and RCW 84.52.050 are each amended and reenacted to read as follows:

Except as hereinafter provided, the aggregate of all tax levies upon real and personal property by the state, municipal corporations, taxing districts and governmental agencies, now existing or hereafter created, shall not in any year exceed forty mills on the dollar of assessed valuation, which assessed valuation shall be fifty percent of the true and fair value of such property in money; and within and subject to the aforesaid limitation the levy by the state shall not exceed two mills to be used exclusively for the public assistance program of the state: PROVIDED, That upon and after the effective date of the provisions of (~~this-amendatory-act~~) chapter 262, Laws of 1969 ex. sess., as now or hereafter amended, which impose a tax upon net income, the authority of the state to levy not to exceed two mills to be used exclusively for the public assistance program of the state shall expire and such millage may be levied by any county as authorized in RCW 84.52.051; the levy by any county shall not exceed eight mills; the levy by or for any school district shall not exceed fourteen mills: PROVIDED, That in each of the years 1967 and 1968 and 1969 and 1970 the state shall levy a property tax of four mills of which two mills shall be used exclusively for the public assistance program of the state and of which two mills shall be used exclusively for the support of the common schools; and in such years in which the state shall validly levy a property tax of two mills for the support of the common schools, the levy by or for any school district shall not exceed twelve mills: PROVIDED FURTHER, That the levy by or for any union high school district shall not exceed two-fifths of the maximum levy permissible for any school district without a vote of the electors thereof and the levy by or for any component district within a union high school district shall not exceed three-

fifths of the maximum levy permissible for any school district without a vote of the electors thereof: PROVIDED FURTHER, That the levy against any nonhigh school district for the high school district fund shall not exceed two-fifths of the maximum levy permissible for any school district without a vote of the electors thereof and the levy by or for any such nonhigh school district shall not exceed the balance of such maximum permissible levy; the levy for any road district shall not exceed ten mills; and the levy by or for any city or town shall not exceed fifteen mills: PROVIDED FURTHER, That counties of the fifth class and under are hereby authorized to levy from eight to eleven mills for general county purposes and from seven to ten mills for county road purposes if the total levy for both purposes does not exceed eighteen mills: PROVIDED FURTHER, That counties of the fourth and the ninth class are hereby authorized to levy nine mills until such time as the junior taxing agencies are utilizing all the millage available to them.

Nothing herein shall prevent levies at the rates provided by existing law by or for any port or power district.

NEW SECTION. Sec. 5. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

#### EXPLANATORY NOTE

Section 1. RCW 82.04.050 was twice amended during the 1969 extraordinary session, each without reference to the other.

(1) 1969 ex.s. c 255 § 3, in defining "sale at retail" or "retail sale" excluded sales of and charges made for labor and services in respect to building, repairing and improving any publicly owned "...easement, right of way, mass public transportation terminal or parking facility, ... tunnel ... including publicly owned mass transportation vehicles of any kind".

(2) 1969 ex.s. c 262 § 30 added the last paragraph relating to sales of drugs and medicines, the effective date of which is conditioned upon voter approval of a proposed constitutional amendment to authorize the income tax contained in chapter 262. The substitution of chapter 262, Laws of 1969 ex. sess. for "this amendatory act" has been made for act identification purposes.

Sec. 2. RCW 82.04.280 was twice amended by the 1969 extraordinary session of the legislature, each without reference to the other.

(1) 1969 ex.s. c 255 § 5 included persons in the business of building, repairing or improving any publicly owned easement, right of way, mass public transportation terminal, parking facility or tunnel under the provisions of the business and occupation tax.

(2) 1969 ex.s. c 262 § 38 added the proviso at the end of the section changing the rate of the business and occupation tax, the effective date of which is conditioned upon voter approval of a proposed constitutional amendment to authorize the income tax contained in chapter 262. The substitution of chapter 262, Laws of 1969 ex. sess. for "this amendatory act" has been made for act identification purposes.

Sec. 3. RCW 84.36.129 was twice amended by the 1969 extraordinary session of the legislature, each without reference to the other.

(1) 1969 ex.s. c 224 § 2 added the second sentence to the definition of "residence" in subsection (1).

(2) 1969 ex.s. c 262 § 63 added the last paragraph providing for expiration of the section upon the effective date of the net income tax contained in chapter 262. The substitution of chapter 262, Laws of 1969 ex. sess. for "this amendatory act" has been made for act identification purposes.

Sec. 4. RCW 84.52.050 was twice amended by the 1969 extraordinary session of the legislature, each without reference to the other.

(1) 1969 ex.s. c 216 § 1 added the years "1969 and 1970" to the proviso relating to the levy and disposition of a four mill property tax.

(2) 1969 ex.s. c 262 § 65 added a new proviso relating to the expiration of the use of the state two mill levy for public assistance, contingent upon the effective date of the net income tax. The years "1969 and 1970" were also added to the proviso relating to a four mill levy, as in the amendment by 1969 ex.s. c 216 §1. See (1) above. The substitution of chapter 262, Laws of 1969 ex. sess. for "this amendatory act" has been made for act identification purposes.

As the two amendments to each section appear to be in different respects, the purpose of this bill is to give effect to each by reenacting each section with both amendments included in it, together with required technical changes.

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