
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-5199.1/16

ATTY/TYPIST: JA:amh

BRIEF DESCRIPTION: Concerning the taxation of businesses providing television programming to television broadcasting stations or subscriber television service providers.

1 AN ACT Relating to the taxation of businesses providing
2 television programming to television broadcasting stations or
3 subscriber television service providers; adding a new section to
4 chapter 82.04 RCW; adding a new section to chapter 82.32 RCW;
5 providing an effective date; and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04
8 RCW to read as follows:

9 (1) Upon every person engaging within this state in the business
10 of providing television programming to television broadcasting
11 stations or subscriber television service providers, as to such
12 persons, the amount of tax on such business is equal to the gross
13 income of the business multiplied by the rate in RCW 82.04.290(2).
14 This section applies only to income that would otherwise be taxed
15 under RCW 82.04.290(2) and does not include income from royalties
16 taxed under RCW 82.04.2907.

17 (2) Gross income of the business from providing television
18 programming, including advertising revenue but not including income
19 from royalties, must be apportioned to this state in the ratio of the
20 population of this state relative to the population of all the states
21 in the person's market.

1 (a) For national television programming providers, the applicable
2 ratio may not exceed 1.1 percent.

3 (b) For regional television programming providers, determination
4 of the ratio must exclude the population of a state outside the
5 person's primary market to the extent necessary to ensure the ratio
6 fairly represents the person's activity in this state. The ratio may
7 be determined either by reference to the person's books and records
8 or by reference to published rating statistics or other third-party
9 data acceptable to the department.

10 (c) For local television programming providers, the applicable
11 ratio is one hundred percent, reduced by the percentage of out-of-
12 state viewers. The ratio may be determined either by reference to the
13 person's books and records or by reference to published rating
14 statistics or other third-party data acceptable to the department.

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

17 (a) "Local television programming provider" means a person whose
18 programming is broadcast by broadcasting stations or transmitted by
19 subscriber television service providers to viewers in this state with
20 only de minimis out-of-state viewership, if any.

21 (b) "National television programming provider" means a person
22 whose programming is broadcast by broadcasting stations or
23 transmitted by subscriber television service providers to viewers in
24 every state, and includes national television networks and national
25 cable networks.

26 (c) "Regional television programming provider" means a person
27 whose programming is broadcast by broadcasting stations or
28 transmitted by subscriber television service providers to viewers in
29 more than one state but whose primary market is confined to fewer
30 than fifty states, and who is not otherwise defined in (b) or (c) of
31 this subsection.

32 (d) "State" means a state of the United States or the District of
33 Columbia.

34 (4) This section applies prospectively and retroactively to all
35 periods beginning on or after June 1, 2010, that are open for
36 assessment or refund of taxes under the provisions of chapter 82.32
37 RCW.

38 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.32
39 RCW to read as follows:

1 (1) For persons subject to tax under section 1 of this act as of
2 the effective date of this section, the department must waive or
3 cancel any penalties, but not interest, imposed under this chapter
4 for all taxes due under chapter 82.04 RCW for all periods beginning
5 on or after June 1, 2010, through June 30, 2016, if the person
6 voluntarily reports and remits payment on all such taxes before
7 October 1, 2016.

8 (2) Nothing in this section may be construed to prohibit the
9 department from auditing any person whose penalty is waived or
10 canceled under this section with respect to taxes due under any
11 provision of this title.

12 (3) This section expires January 1, 2021.

13 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2016.

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