

Passed the House May 9, 1971.

Passed the Senate May 9, 1971.

Approved by the Governor May 20, 1971.

Filed in Office of Secretary of State May 21, 1971.

CHAPTER 186

[Engrossed House Bill No. 888]

BUSINESS AND OCCUPATION TAXES--

MANUFACTURERS--

SELLERS AND MANUFACTURERS OF NUCLEAR FUEL ASSEMBLIES

AN ACT Relating to business and occupation taxes; amending section 82.04.110, chapter 15, Laws of 1961 and RCW 82.04.110; amending section 82.04.250, chapter 15, Laws of 1961 as last amended by section 35, chapter 262, Laws of 1969 and RCW 82.04.250; amending section 82.04.260, chapter 15, Laws of 1961 as last amended by section 36, chapter 262, Laws of 1969 ex. sess. and RCW 82.04.260; amending section 82.04.270, chapter 15, Laws of 1961 as last amended by section 37, chapter 262, Laws of 1969 ex. sess. and RCW 82.04.270; and prescribing an effective date.

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

Section 1. Section 82.04.110, chapter 15, Laws of 1961 and RCW 82.04.110 are each amended to read as follows:

"Manufacturer" means every person who, either directly or by contracting with others for the necessary labor or mechanical services, manufactures for sale or for commercial or industrial use from his own materials or ingredients any articles, substances or commodities. When the owner of equipment or facilities furnishes, or sells to the customer prior to manufacture, all or a portion of the materials that become a part or whole of the manufactured article, the ((tax commission)) department shall prescribe equitable rules for determining tax liability: PROVIDED, That a nonresident of this state who is the owner of materials processed for it in this state by a processor for hire shall not be deemed to be engaged in business in this state as a manufacturer because of the performance of such processing work for it in this state: PROVIDED FURTHER, That the owner of materials from which a nuclear fuel assembly is made for it by a processor for hire shall not be subject to tax under this chapter as a manufacturer of the fuel assembly.

Sec. 2. Section 82.04.250, chapter 15, Laws of 1961 as last amended by section 35, chapter 262, Laws of 1969 ex. sess. and RCW 82.04.250 are each amended to read as follows:

Upon every person except persons taxable under subsection (9)

of RCW 82.04.260 engaging within this state in the business of making sales at retail, as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales 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 which impose a tax upon net income,~~ the amount of tax with respect to such business shall be equal to the gross proceeds of sales of the business, multiplied by the rate of twenty-two one-hundredths of one percent)).

Sec. 3. Section 82.04.260, chapter 15, Laws of 1961 as last amended by section 36, chapter 262, Laws of 1969 ex. sess. and RCW 82.04.260 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of buying wheat, oats, dry peas, corn, rye and barley, but not including any manufactured or processed products thereof, and selling the same at wholesale; the tax imposed shall be equal to the gross proceeds derived from such sales multiplied by the rate of one one-hundredth of one percent ((: ~~PROVIDED, That upon and after the effective date of the provisions of this amendatory act which impose a tax upon net income,~~ the tax imposed shall be equal to the gross proceeds derived from sales multiplied by the rate of one two-hundredths of one percent)).

(2) Upon every person engaging within this state in the business of manufacturing wheat into flour; as to such persons the amount of tax with respect to such business shall be equal to the value of the flour manufactured, multiplied by the rate of one-eighth of one percent ((: ~~PROVIDED, That upon and after the effective date of the provisions of this amendatory act which impose a tax upon net income,~~ the amount of tax with respect to such business shall be equal to the value of the flour manufactured, multiplied by the rate of one-sixteenth of one percent)).

(3) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business shall be equal to the value of the peas split or processed, multiplied by the rate of one-quarter of one percent ((: ~~PROVIDED, That upon and after the effective date of the provisions of this amendatory act which impose a tax upon net income,~~ the amount of tax with respect to such business shall be equal to the value of the peas split or processed, multiplied by the rate of one-eighth of one percent)).

(4) Upon every person engaging within this state in the business of manufacturing seafood products which remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; as to such persons the amount of tax with respect to such business shall be equal to the value of the products

manufactured, multiplied by the rate of one-eighth of one percent (~~PROVIDED, That upon and after the effective date of the provisions of this amendatory act which impose a tax upon net income, the amount of tax with respect to such business shall be equal to the value of the products manufactured, multiplied by the rate of one-sixteenth of one percent~~)).

(5) Upon every person engaging within this state in the business of manufacturing by canning, preserving, freezing or dehydrating fresh fruits and vegetables; as to such persons the amount of tax with respect to such business shall be equal to the value of the products canned, preserved, frozen or dehydrated multiplied by the rate of three-tenths of one percent (~~PROVIDED, That upon and after the effective date of the provisions of this amendatory act which impose a tax upon net income, the amount of tax with respect to such business shall be equal to the value of the products canned, preserved, frozen or dehydrated multiplied by the rate of three-twentieths of one percent~~)).

(6) Upon every person engaging within this state in the business of manufacturing aluminum pig, ingot, billet, plate, sheet (flat or coiled), rod, bar, wire, cable or extrusions; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products manufactured multiplied by the rate of four-tenths of one percent (~~PROVIDED, That upon and after the effective date of the provisions of this amendatory act which impose a tax upon net income, the amount of tax with respect to such business shall be equal to the value of the products manufactured multiplied by the rate of twenty-two one-hundredths of one percent~~)).

(7) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities shall be equal to the gross income derived from such activities 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 which impose a tax upon net income, the amount of tax with respect to such activities shall be equal to the gross income derived from such activities multiplied by the rate of twenty-two one-hundredths of one percent~~)).

(8) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale; as to such persons the tax imposed shall be equal to the gross proceeds derived from such sales multiplied by the rate of thirty-three one-hundredths of one percent (~~PROVIDED, That upon and after the effective date of the provisions of this amendatory act which impose a tax upon net income, as to such persons the tax imposed shall be equal to the gross~~

proceeds derived from such sales multiplied by the rate of thirty-three two-hundredths of one percent).

(9) Upon every person engaging within this state in the business of making sales, at retail or wholesale, of nuclear fuel assemblies manufactured by that person, as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of sales of the assemblies multiplied by the rate of twenty-five one-hundredths of one percent.

(10) Upon every person engaging within this state in the business of manufacturing nuclear fuel assemblies, as to such persons the amount of tax with respect to such business shall be equal to the value of the products manufactured multiplied by the rate of twenty-five one-hundredths of one percent.

Sec. 4. Section 82.04.270, chapter 15, Laws of 1961 as last amended by section 37, chapter 262, Laws of 1969 ex. sess. and RCW 82.04.270 are each amended to read as follows:

(1) Upon every person except persons taxable under subsections (1) or (9) of RCW 82.04.260 engaging within this state in the business of making sales at wholesale; as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of sales of such 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 which impose a tax upon net income, the amount of tax with respect to such business shall be equal to the gross proceeds of sales of such business multiplied by the rate of twenty-two one-hundredths of one percent)~~).

(2) The tax imposed by this section is levied and shall be collected from every person engaged in the business of distributing in this state articles of tangible personal property, owned by them from their own warehouse or other central location in this state to two or more of their own retail stores or outlets, where no change of title or ownership occurs, the intent hereof being to impose a tax equal to the wholesaler's tax upon persons performing functions essentially comparable to those of a wholesaler, but not actually making sales: ~~PROVIDED, That the tax designated in this section may not be assessed twice to the same person for the same article. The amount of the tax as to such persons shall be computed by multiplying forty-four one-hundredths of one percent of the value of the article so distributed as of the time of such distribution~~ (~~(+ PROVIDED, That upon and after the effective date of the provisions of this amendatory act which impose a tax upon net income, the amount of tax as to such persons shall be computed by multiplying twenty-two one-hundredths of one percent of the value of the article so distributed as of the time of such distribution)~~): ~~PROVIDED, That~~

persons engaged in the activities described in this subsection shall not be liable for the tax imposed if by proper invoice it can be shown that they have purchased such property from a wholesaler who has paid a business and occupation tax to the state upon the same articles. This proviso shall not apply to purchases from manufacturers as defined in RCW 82.04.110. The department of revenue shall prescribe uniform and equitable rules for the purpose of ascertaining such value, which value shall correspond as nearly as possible to the gross proceeds from sales at wholesale in this state of similar articles of like quality and character, and in similar quantities by other taxpayers: PROVIDED FURTHER, That delivery trucks or vans will not under the purposes of this section be considered to be retail stores or outlets.

NEW SECTION. Sec. 5. The effective date of this 1971 amendatory act is July 1, 1971.

Passed the House April 14, 1971.

Passed the Senate May 6, 1971.

Approved by the Governor May 20, 1971.

Filed in Office of Secretary of State May 21, 1971.

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CHAPTER 187

[Engrossed House Bill No. 1075]

PUBLIC EMPLOYEES' COLLECTIVE BARGAINING AGREEMENTS

AN ACT Relating to public employees' collective bargaining; and adding a new section to chapter 41.56 RCW.

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

NEW SECTION. Section 1. There is added to chapter 41.56 RCW a new section to read as follows:

Whenever a collective bargaining agreement between a public employer and a bargaining representative is concluded after the termination date of the previous collective bargaining agreement between the same parties, the effective date of such collective bargaining agreement may be the day after the termination date of the previous collective bargaining agreement and all benefits included in the new collective bargaining agreement including wage increases may accrue beginning with such effective date as established by this section.

Passed the House April 29, 1971.

Passed the Senate May 8, 1971.

Approved by the Governor May 20, 1971.

Filed in Office of Secretary of State May 21, 1971.