

NEW SECTION, Sec. 13. The state treasurer is authorized to use revenue collected pursuant to sections 1 through 9 of this act, to the extent this revenue exceeds any legislative appropriation of the revenue to the department of ecology for purposes of section 1(2)(a) through (c) of this act to reimburse general fund expenditures for cleanup and restoration of those sites pursuant to section 1(2)(d) through (f) of this act.

NEW SECTION, Sec. 14. Sections 1 through 9 of this act shall constitute a new chapter in Title 70 RCW.

NEW SECTION, Sec. 15. (1) 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 as follows:

(a) The powers provided to the department of ecology relating to the adoption of rules under sections 3(2) and 4(1) of this act shall take effect immediately; and

(b) The remainder of this act shall take effect on July 1, 1983.

(2) The annual fee due and payable under section 3 of this act on June 30, 1984, shall, following computation of the annual gross income of the business for the calendar year 1983, be prorated for the period July 1, 1983, through December 31, 1983.

Passed the House May 24, 1983.

Passed the Senate May 22, 1983.

Approved by the Governor June 13, 1983.

Filed in Office of Secretary of State June 13, 1983.

CHAPTER 66

[Substitute Senate Bill No. 3244]

TAXES—BUSINESS AND OCCUPATION—DEDUCTIONS AND EXEMPTIONS—HEALTH OR SOCIAL WELFARE SERVICES—POLITICAL SUBDIVISIONS—SLAUGHTERERS—CERTAIN OUT-OF-STATE PERSONS

AN ACT Relating to business and occupation taxes; amending section 16, chapter 10, Laws of 1982 as amended by section 1, chapter 13, Laws of 1982 2nd ex. sess. and RCW 82.04-.260; amending section 6, chapter 196, Laws of 1979 ex. sess. as amended by section 80, chapter 37, Laws of 1980 and RCW 82.04.431; and adding new sections to chapter 82.04 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 6, chapter 196, Laws of 1979 ex. sess. as amended by section 80, chapter 37, Laws of 1980 and RCW 82.04.431 are each amended to read as follows:

(1) For the purposes of RCW 82.04.4297, the term "health or social welfare organization" means an organization, including any community action council, which renders health or social welfare services as defined in subsection (2) of this section, which is a not-for-profit corporation under

chapter 24.03 RCW and which is managed by a governing board of not less than eight individuals none of whom is a paid employee of the organization or which is a corporation sole under chapter 24.12 RCW. In addition a corporation in order to be exempt under RCW 82.04.4297 shall satisfy the following conditions:

(a) No part of its income may be paid directly or indirectly to its members, stockholders, officers, directors, or trustees except in the form of services rendered by the corporation in accordance with its purposes and bylaws;

(b) Salary or compensation paid to its officers and executives must be only for actual services rendered, and at levels comparable to the salary or compensation of like positions within the public service of the state;

(c) Assets of the corporation must be irrevocably dedicated to the activities for which the exemption is granted and, on the liquidation, dissolution, or abandonment by the corporation, may not inure directly or indirectly to the benefit of any member or individual except a nonprofit organization, association, or corporation which also would be entitled to the exemption;

(d) The corporation must be duly licensed or certified where licensing or certification is required by law or regulation;

(e) The amounts received qualifying for exemption must be used for the activities for which the exemption is granted;

(f) Services must be available regardless of race, color, national origin, or ancestry; and

(g) The director of revenue shall have access to its books in order to determine whether the corporation is exempt from taxes within the intent of RCW 82.04.4297 and this section.

(2) The term "health or social welfare services" includes and is limited to:

(a) Mental health, drug, or alcoholism counseling or treatment;

(b) Family counseling;

(c) Health care services;

(d) Therapeutic, diagnostic, rehabilitative, or restorative services for the care of the sick, aged, or physically, developmentally, or emotionally-disabled individuals;

(e) Activities which are for the purpose of preventing or ameliorating juvenile delinquency or child abuse, including recreational activities for those purposes;

(f) Care of orphans or foster children;

(g) Day care of children;

(h) Employment development, training, and placement; ((and))

(i) Legal services to the indigent;

(j) Weatherization assistance or minor home repair for low-income homeowners or renters;

(k) Assistance to low-income homeowners and renters to offset the cost of home heating energy, through direct benefits to eligible households or to fuel vendors on behalf of eligible households; and

(l) Community services to low-income individuals, families, and groups, which are designed to have a measurable and potentially major impact on causes of poverty in communities of the state.

NEW SECTION. Sec. 2. There is added to chapter 82.04 RCW a new section to read as follows:

The provisions of this chapter shall not apply to grants received from the state or the United States government by municipal corporations or political subdivisions of the state of Washington.

NEW SECTION. Sec. 3. There is added to chapter 82.04 RCW a new section to read as follows:

This chapter shall not apply to any county, city, town, school district, or fire district activity, regardless of how financed, other than a utility or enterprise activity as defined by the state auditor pursuant to RCW 35.33.111 and 36.40.220 and upon which the tax imposed pursuant to this chapter had previously applied. Nothing contained in this section shall limit the authority of the legislature to authorize the imposition of such tax prospectively upon such activities as the legislature shall specifically designate.

Sec. 4. Section 16, chapter 10, Laws of 1982 as amended by section 1, chapter 13, Laws of 1982 2nd 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, dry beans, lentils, triticale, 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.

(2) Upon every person engaging within this state in the business of manufacturing wheat into flour, soybeans into soybean oil, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business shall be equal to the value of the flour or oil manufactured, multiplied by the rate of one-eighth 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.

(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.

(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.

(6) 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.

(7) 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 only and not at retail; 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.

(8) 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.

(9) 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.

(10) Upon every person engaging within this state in the business of acting as a travel agent; as to such persons the amount of the tax with respect to such activities shall be equal to the gross income derived from such activities multiplied by the rate of twenty-five one-hundredths of one percent.

(11) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities shall be equal to the gross income derived from such activities multiplied by the rate of thirty-three one-hundredths of one percent.

(12) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds derived from such activities multiplied by the rate of thirty-

three one hundredths of one percent. Persons subject to taxation under this subsection shall be exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(13) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons the amount of the tax with respect to such business shall be equal to the gross income of the business, excluding any fees imposed under chapter 43.21F RCW, multiplied by the rate of thirty percent.

If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state shall be determined in accordance with the methods of apportionment required under RCW 82.04.460.

NEW SECTION. Sec. 5. There is added to chapter 82.04 RCW a new section to read as follows:

(1) This chapter shall not apply to any person in respect to gross income derived from the business of making sales at wholesale or retail if such person:

- (a) Does not own or lease real property within this state; and
- (b) Does not regularly maintain a stock of tangible personal property in this state for sale in the ordinary course of business; and
- (c) Is not a corporation incorporated under the laws of this state; and
- (d) Makes sales in this state exclusively to or through a direct seller's representative.

(2) For purposes of this section, the term "direct seller's representative" means a person who buys consumer products on a buy-sell basis or a deposit-commission basis for resale, by the buyer or any other person, in the home or otherwise than in a permanent retail establishment, or who sells, or solicits the sale of, consumer products in the home or otherwise than in a permanent retail establishment; and

(a) Substantially all of the remuneration paid to such person, whether or not paid in cash, for the performance of services described in this subsection is directly related to sales or other output, including the performance of services, rather than the number of hours worked; and

(b) The services performed by the person are performed pursuant to a written contract between such person and the person for whom the services are performed and such contract provides that the person will not be treated as an employee with respect to such purposes for federal tax purposes.

(3) Nothing in this section shall be construed to imply that a person exempt from tax under this section was engaged in a business activity taxable under this chapter prior to the enactment of this section.

Passed the Senate May 22, 1983.

Passed the House May 17, 1983.

Approved by the Governor June 13, 1983.

Filed in Office of Secretary of State June 13, 1983.

CHAPTER 67

[Reengrossed Substitute Senate Bill No. 3780]

NURSING HOMES—AUDITING AND COST REIMBURSEMENT

AN ACT Relating to nursing homes; amending section 4, chapter 177, Laws of 1980 and RCW 74.46.040; amending section 6, chapter 177, Laws of 1980 and RCW 74.46.060; amending section 8, chapter 177, Laws of 1980 and RCW 74.46.080; amending section 10, chapter 177, Laws of 1980 and RCW 74.46.100; amending section 13, chapter 177, Laws of 1980 and RCW 74.46.130; amending section 15, chapter 177, Laws of 1980 and RCW 74.46.150; amending section 16, chapter 177, Laws of 1980 and RCW 74.46.160; amending section 17, chapter 177, Laws of 1980 and RCW 74.46.170; amending section 18, chapter 177, Laws of 1980 and RCW 74.46.180; amending section 19, chapter 177, Laws of 1980 and RCW 74.46.190; amending section 27, chapter 177, Laws of 1980 and RCW 74.46.270; amending section 31, chapter 177, Laws of 1980 and RCW 74.46.310; amending section 41, chapter 177, Laws of 1980 and RCW 74.46.410; amending section 42, chapter 177, Laws of 1980 and RCW 74.46.420; amending section 43, chapter 177, Laws of 1980 and RCW 74.46.430; amending section 45, chapter 177, Laws of 1980 and RCW 74.46.450; amending section 46, chapter 177, Laws of 1980 as amended by section 5, chapter 2, Laws of 1981 1st ex. sess. and RCW 74.46.460; amending section 47, chapter 177, Laws of 1980 and RCW 74.46.470; amending section 49, chapter 177, Laws of 1980 as amended by section 6, chapter 2, Laws of 1981 1st ex. sess. and RCW 74.46.490; amending section 53, chapter 177, Laws of 1980 as amended by section 7, chapter 2, Laws of 1981 1st ex. sess. and RCW 74.46.530; amending section 55, chapter 177, Laws of 1980 and RCW 74.46.550; amending section 56, chapter 177, Laws of 1980 and RCW 74.46.560; amending section 57, chapter 177, Laws of 1980 and RCW 74.46.570; amending section 58, chapter 177, Laws of 1980 and RCW 74.46.580; amending section 61, chapter 177, Laws of 1980 and RCW 74.46.610; amending section 64, chapter 177, Laws of 1980 and RCW 74.46.640; amending section 67, chapter 177, Laws of 1980 and RCW