

NEW SECTION. Sec. 2. The abutting residential owner to state-owned shorelands, tidelands, or related beds of navigable waters, other than harbor areas, may install and maintain without charge a dock on such areas if used exclusively for private recreational purposes and the area is not subject to prior rights. This permission is subject to applicable local regulation governing construction, size, and length of the dock. This permission may be revoked by the department upon finding of public necessity which is limited to the protection of waterward access or ingress rights of other landowners or public health and safety. The revocation may be appealed as a contested case under chapter 34.04 RCW. Nothing in this section prevents the abutting owner from obtaining a lease if otherwise provided by law.

NEW SECTION. Sec. 3. Section 2, chapter 97, Laws of 1979 ex. sess., section 2, chapter 117, Laws of 1982, section 176, chapter 21, Laws of 1982 1st ex. sess. and RCW 79.01.525 are each repealed.

NEW SECTION. Sec. 4. 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.

Passed the Senate May 25, 1983.

Passed the House May 25, 1983.

Approved by the Governor June 13, 1983.

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

## CHAPTER 3

[2nd Reengrossed Senate Bill No. 3909]

TAXES—GENERAL REVISIONS—BORDER COUNTIES—TELEPHONE  
SERVICES—AIRCRAFTS—BOATS—TIMBER

AN ACT Relating to revenue and taxation; amending section 3, chapter 65, Laws of 1970 ex. sess. as amended by section 1, chapter 9, Laws of 1983 and RCW 82.04.255; amending section 82.04.290, chapter 15, Laws of 1961 as last amended by section 2, chapter 9, Laws of 1983 and RCW 82.04.290; amending section 3, chapter 9, Laws of 1983 and RCW 82.04....; amending section 3, chapter 130, Laws of 1975-'76 2nd ex. sess. as last amended by section 4, chapter 9, Laws of 1983 and RCW 82.04.2901; reenacting and amending section 16, chapter 10, Laws of 1982 as last amended by section 4, chapter \_\_\_ (SSB 3244), Laws of 1983 1st ex. sess. and by section 4, chapter \_\_\_ (SHB 72), Laws of 1983 1st ex. sess. and RCW 82.04.260; amending section 31, chapter 35, Laws of 1982 1st ex. sess. as last amended by section 8, chapter 7, Laws of 1983 and RCW 82.02.030; amending section .14.02, chapter 79, Laws of 1947 as last amended by section 1, chapter 10, Laws of 1982 2nd ex. sess. and RCW 48.14.020; amending section 2, chapter 278, Laws of 1957 as last amended by section 18, chapter 35, Laws of 1982 1st ex. sess. and RCW 54.28.020; amending section 6, chapter 366, Laws of 1977 ex. sess. as amended by section 19, chapter 35, Laws of 1982 1st ex. sess. and RCW 54.28.025; amending section 24—A added to chapter 62, Laws of 1933 ex. sess. by section 3, chapter 158, Laws of 1935 as last amended by section 23, chapter 35, Laws of 1982 1st ex. sess. and RCW 66.24.210; amending section 24, chapter 62, Laws of 1933 ex. sess. as last amended by section 24, chapter 35, Laws of 1982 1st ex. sess. and RCW 66.24.290; amending section 82.08.150, chapter 15, Laws of 1961 as last amended by section 3, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.08.150; amending section 82.16.020, chapter 15, Laws of 1961 as last

amended by section 1, chapter 5, Laws of 1982 2nd ex. sess. and RCW 82.16.020; amending section 82.20.010, chapter 15, Laws of 1961 as amended by section 7, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.20.010; amending section 82.24.020, chapter 15, Laws of 1961 as last amended by section 8, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.24.020; amending section 82.26.020, chapter 15, Laws of 1961 as last amended by section 9, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.26.020; amending section 2, chapter 98, Laws of 1980 as last amended by section 6, chapter 284, Laws of 1983 and RCW 82.27.020; amending section 3, chapter 61, Laws of 1975-'76 2nd ex. sess. as amended by section 11, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.29A.030; amending section 82.44.020, chapter 15, Laws of 1961 as last amended by section 2, chapter 14, Laws of 1982 2nd ex. sess. and RCW 82.44.020; amending section 28A.45-.060, chapter 223, Laws of 1969 ex. sess. as last amended by section 14, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.45.060; amending section 82.48.010, chapter 15, Laws of 1961 as last amended by section 239, chapter 158, Laws of 1979 and RCW 82.48.010 amending section 82.48.030, chapter 15, Laws of 1961 as last amended by section 3, chapter 9, Laws of 1967 ex. sess. and RCW 82.48.030 amending section 82.32.090, chapter 15, Laws of 1961 as last amended by section 32, chapter 7, Laws of 1983 and RCW 82.32.090; amending section 1, chapter 8, Laws of 1970 ex. sess. as last amended by section 3, chapter 144, Laws of 1981 and RCW 82.04.050; amending section 82.04.060, chapter 15, Laws of 1961 and RCW 82.04.060; amending section 82.04.190, chapter 15, Laws of 1961 as last amended by section 2, chapter 90, Laws of 1975 1st ex. sess. and RCW 82.04.190; amending section 82.04.460, chapter 15, Laws of 1961 as amended by section 9, chapter 291, Laws of 1975 1st ex. sess. and RCW 82.04.460; amending section 82.04.470, chapter 15, Laws of 1961 as amended by section 43, chapter 278, Laws of 1975 1st ex. sess. and RCW 82.04.470; amending section 3, chapter 94, Laws of 1970 ex. sess. as last amended by section 1, chapter 211, Laws of 1982 and RCW 82.14.020; amending section 82.16.010, chapter 15, Laws of 1961 as last amended by section 1, chapter 9, Laws of 1982 2nd ex. sess. and RCW 82.16.010; amending section 6, chapter 134, Laws of 1972 ex. sess. as last amended by section 7, chapter 99, Laws of 1983 and RCW 35.21.710; amending section 7, chapter 134, Laws of 1972 ex. sess. as amended by section 7, chapter 144, Laws of 1981 and RCW 35A.82.050; amending section 8, chapter 144, Laws of 1981 and RCW 35.21.712; amending section 9, chapter 144, Laws of 1981 and RCW 35A.82.055; amending section 10, chapter 144, Laws of 1981 and RCW 35-.21.714; amending section 11, chapter 144, Laws of 1981 and RCW 35A.82.060; amending section 2, chapter 49, Laws of 1982 1st ex. sess. and RCW 35.21.860; amending section 80.04.270, chapter 14, Laws of 1961 as amended by section 5, chapter 144, Laws of 1981 and RCW 80.04.270; amending section 82.08.020, chapter 15, Laws of 1961 as last amended by section 6, chapter 7, Laws of 1983 and RCW 82.08.020; amending section 9, chapter 7, Laws of 1983 and RCW 82.\_\_\_\_; amending section 16, chapter 7, Laws of 1983 and RCW 88.\_\_\_\_; amending section 18, chapter 7, Laws of 1983 and RCW 88.\_\_\_\_; amending section 15, chapter 7, Laws of 1983 and RCW 88.\_\_\_\_; amending section 22, chapter 7, Laws of 1983 and RCW 88.\_\_\_\_; amending section 84.36.080, chapter 15, Laws of 1961 as amended by section 23, chapter 7, Laws of 1983 and RCW 84.36.080; amending section 33, chapter 7, Laws of 1983 and RCW 82.32.\_\_\_\_; amending section 1, chapter 347, Laws of 1977 ex. sess. as last amended by section 2, chapter 4, Laws of 1982 2nd ex. sess. and RCW 84.33.071; amending section 3, chapter 130, Laws of 1975-'76 2nd ex. sess. as last amended by section 4 of this 1983 act and RCW 82.04.2901; amending section 82.08.020, chapter 15, Laws of 1961 as last amended by section 41 of this 1983 act and RCW 82.08.020; amending section 1, chapter 7, Laws of 1981 as last amended by section 27, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.32.045; adding a new section to chapter 39.64 RCW; adding a new section to chapter 43.06 RCW; adding a new section to chapter 43.51 RCW; adding new sections to chapter 82.\_\_\_\_ RCW (sections 9 through 13, chapter 7, Laws of 1983); adding new sections to chapter 88.\_\_\_\_ RCW (sections 14 through 22, chapter 7, Laws of 1983); adding a new section to chapter 82.02 RCW; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.08 RCW; adding a new section to chapter 84.09 RCW; repealing section 10, chapter 172, Laws of 1981 and RCW 82.04.265; making an appropriation; providing effective dates; and declaring an emergency.

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

Sec. 1. Section 3, chapter 65, Laws of 1970 ex. sess. as amended by section 1, chapter 9, Laws of 1983 and RCW 82.04.255 are each amended to read as follows:

Upon every person engaging within the state as a real estate broker; as to such persons, the amount of the tax with respect to such business shall be equal to the gross income of the business, multiplied by the rate of ~~((two)) 1.50 percent ((until and including June 30, 1983, and one percent thereafter))~~; PROVIDED, That this tax shall be imposed only if all of the amendments contained in sections 2 through 4 of this 1983 act become law.

The measure of the tax on real estate commissions earned by the real estate broker shall be the gross commission earned by the particular real estate brokerage office including that portion of the commission paid to salesmen or associate brokers in the same office on a particular transaction: PROVIDED, HOWEVER, That where a real estate commission is divided between an originating brokerage office and a cooperating brokerage office on a particular transaction, each brokerage office shall pay the tax only upon their respective shares of said commission: AND PROVIDED FURTHER, That where the brokerage office has paid the tax as provided herein, salesmen or associate brokers within the same brokerage office shall not be required to pay a similar tax upon the same transaction.

Sec. 2. Section 82.04.290, chapter 15, Laws of 1961 as last amended by section 2, chapter 9, Laws of 1983 and RCW 82.04.290 are each amended to read as follows:

Upon every person engaging within this state in any business activity other than or in addition to those enumerated in RCW 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270, and 82.04.280; as to such persons the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of ~~((two)) 1.50 percent ((until and including June 30, 1983, and one percent thereafter))~~; PROVIDED, That this tax shall be imposed only if all of the amendments contained in sections 1, 3, and 4 of this 1983 act become law. This section includes, among others, and without limiting the scope hereof (whether or not title to materials used in the performance of such business passes to another by accession, confusion or other than by outright sale), persons engaged in the business of rendering any type of service which does not constitute a "sale at retail" or a "sale at wholesale." The value of advertising, demonstration, and promotional supplies and materials furnished to an agent by his principal or supplier to be used for informational, educational and promotional purposes shall not be considered a part of the agent's remuneration or commission and shall not be subject to taxation under this section.

Sec. 3. Section 3, chapter 9, Laws of 1983 and RCW 82.04.... are each amended to read as follows:

(1) There is levied and shall be collected from every person for the act or privilege of engaging in business activities, as a part of the tax imposed under RCW 82.04.220 through 82.04.240, inclusive, and RCW 82.04.260 through 82.04.280, inclusive, an additional tax equal to ~~((thirty=two))~~ ten percent multiplied by the tax payable under RCW 82.04.220 through 82.04.240, inclusive, and RCW 82.04.260 through 82.04.280, inclusive: PROVIDED, That this additional tax shall be imposed only if all of the amendments contained in sections 1, 2, and 4 of this 1983 act become law.

(2) There is also levied and shall be collected from every person for the act or privilege of engaging in the business activity of making sales at retail which are exempt from the tax imposed under chapter 82.08 RCW by reason of RCW 82.08.0261 ~~((or)),~~ 82.08.0262, or 82.08.0263, as a part of the tax imposed under RCW 82.04.250, an additional tax equal to ~~((thirty=two))~~ ten percent multiplied by the tax payable on those activities under RCW 82.04.250: PROVIDED, That this additional tax shall be imposed only if all of the amendments contained in sections 1, 2, and 4 of this 1983 act become law.

(3) To facilitate collection of these additional taxes, the department of revenue is authorized to adjust the basic rates of persons to which this section applies in such manner as to reflect the amount to the nearest one-thousandth of one percent of the additional tax hereby imposed, adjusting ten-thousandths equal to or greater than five ten-thousandths to the greater thousandth.

~~((4) This section shall expire July 1, 1983;))~~

Sec. 4. Section 3, chapter 130, Laws of 1975-'76 2nd ex. sess. as last amended by section 4, chapter 9, Laws of 1983 and RCW 82.04.2901 are each amended to read as follows:

~~((From and after the first day of April, 1982, until and including the thirtieth day of June, 1983;))~~ There is levied and shall be collected from every person, other than persons taxed under RCW 82.04.... (section 3 ~~((of this 1983 act)),~~ chapter 9, Laws of 1983), for the act or privilege of engaging in business activities, as a part of the tax imposed by the provisions of RCW 82.04.250, an additional tax equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under the provisions of RCW 82.04.250: PROVIDED, That as to such persons making sales at retail in border counties other than retail sales of telephone services, as defined in section 24 of this 1983 act, such additional tax shall be levied and collected from such persons ~~((making sales at retail in border counties))~~ with respect to such sales in border counties in an amount equal to thirty-two percent multiplied by the tax payable under the provisions of RCW 82.04.250: PROVIDED FURTHER, That the additional tax under this section shall be imposed only if all of the amendments contained in sections 1 through 3 of this 1983 act become law.

To facilitate collection of this additional tax, the department of revenue is authorized to adjust the basic rates of persons to which this section applies in such manner as to reflect the amount to the nearest one-thousandth of one percent of the additional tax hereby imposed, adjusting ten-thousandths equal to or greater than five ten-thousandths to the greater thousandth.

Sec. 5. Section 16, chapter 10, Laws of 1982 as last amended by section 4, chapter \_\_\_ (SSB 3244), Laws of 1983 1st ex. sess. and by section 4, chapter \_\_\_ (SHB 72), Laws of 1983 1st ex. sess. and RCW 82.04.260 are each reenacted and 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.

(14) Upon every person engaging within this state as an insurance agent, insurance broker, or insurance solicitor licensed under chapter 48.17 RCW; as to such persons, the amount of the tax with respect to such licensed activities shall be equal to the gross income of such business multiplied by the rate of one percent.

Sec. 6. Section 31, chapter 35, Laws of 1982 1st ex. sess. as last amended by section 8, chapter 7, Laws of 1983 and RCW 82.02.030 are each amended to read as follows:

(1) The rate of the additional taxes under RCW 54.28.020(2), 54.28.025(2), 66.24.210(2), 66.24.290(2), 82.04.290(1), 82.16.020(2), 82.20.010(2), 82.26.020(2), 82.27.020(5), 82.29A.030(2), 82.44.020(5), and 82.45.060(2) shall be seven percent (~~(-PROVIDED, That the additional tax imposed by RCW 82.44.020(5) shall be continued at the rate of three percent for the period July 1 through September 30, 1983));~~

(2) The rate of the additional taxes under RCW 82.08.150(4) shall be fourteen percent;

(3) The rate of the additional taxes under RCW 82.24.020(2) shall be fifteen percent; and

(4) The rate of the additional taxes under RCW 48.14.020(3) shall be four percent.

Sec. 7. Section .14.02, chapter 79, Laws of 1947 as last amended by section 1, chapter 10, Laws of 1982 2nd ex. sess. and RCW 48.14.020 are each amended to read as follows:

(1) Subject to other provisions of this chapter, each authorized insurer except title insurers shall on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax on premiums. Except as provided in subsection (2) of this section, such tax shall be in the amount of two and sixteen one-hundredths percent of all premiums,

excluding amounts returned to or the amount of reductions in premiums allowed to holders of industrial life policies for payment of premiums directly to an office of the insurer, collected or received by the insurer during the preceding calendar year in the case of foreign and alien insurers, and in the amount of one and sixteen one-hundredths percent of all such premiums in the case of domestic insurers, for direct insurances, other than ocean marine and foreign trade insurances, after deducting premiums paid to policyholders as returned premiums, upon risks or property resident, situated, or to be performed in this state. For the purposes of this section the consideration received by an insurer for the granting of an annuity shall not be deemed to be a premium.

(2) In the case of insurers which require the payment by their policyholders at the inception of their policies of the entire premium thereon in the form of premiums or premium deposits which are the same in amount, based on the character of the risks, regardless of the length of term for which such policies are written, such tax shall be in the amount of two and sixteen one-hundredths percent of the gross amount of such premiums and premium deposits upon policies on risks resident, located, or to be performed in this state, in force as of the thirty-first day of December next preceding, less the unused or unabsorbed portion of such premiums and premium deposits computed at the average rate thereof actually paid or credited to policyholders or applied in part payment of any renewal premiums or premium deposits on one-year policies expiring during such year.

(3) ~~((From and after the first day of April, 1982, until and including the thirtieth day of June, 1983;))~~ An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the taxes payable under subsections (1) ~~((and))~~, (2), and (4) of this section. All revenues from this additional tax shall be deposited in the state general fund.

(4) Each authorized insurer shall with respect to all ocean marine and foreign trade insurance contracts written within this state during the preceding calendar year, on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax of ninety-one one-hundredths of one percent on its gross underwriting profit. Such gross underwriting profit shall be ascertained by deducting from the net premiums (i.e., gross premiums less all return premiums and premiums for reinsurance) on such ocean marine and foreign trade insurance contracts the net losses paid (i.e., gross losses paid less salvage and recoveries on reinsurance ceded) during such calendar year under such contracts. In the case of insurers issuing participating contracts, such gross underwriting profit shall not include, for computation of the tax prescribed by this subsection, the amounts refunded, or paid as participation dividends, by such insurers to the holders of such contracts.

(5) The state does hereby preempt the field of imposing excise or privilege taxes upon insurers or their agents, other than title insurers, and no



county, city, town or other municipal subdivision shall have the right to impose any such taxes upon such insurers or their agents.

(6) If an authorized insurer collects or receives any such premiums on account of policies in force in this state which were originally issued by another insurer and which other insurer is not authorized to transact insurance in this state on its own account, such collecting insurer shall be liable for and shall pay the tax on such premiums.

(7) This section shall be effective as to and shall govern the payment of all taxes due for calendar year 1982 and thereafter.

Sec. 8. Section 2, chapter 278, Laws of 1957 as last amended by section 18, chapter 35, Laws of 1982 1st ex. sess. and RCW 54.28.020 are each amended to read as follows:

(1) There is hereby levied and there shall be collected from every district a tax for the act or privilege of engaging within this state in the business of operating works, plants or facilities for the generation, distribution and sale of electric energy. With respect to each such district, except with respect to thermal electric generating facilities taxed under RCW 54.28-.025, such tax shall be the sum of the following amounts: (a) Two percent of the gross revenues derived by the district from the sale of all electric energy which it distributes to consumers who are served by a distribution system owned by the district; (b) five percent of the first four mills per kilowatt-hour of wholesale value of self-generated energy distributed to consumers by a district; (c) five percent of the first four mills per kilowatt-hour of revenue obtained by the district from the sale of self-generated energy for resale.

(2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section ~~((for April, 1982, through June, 1983)).~~

Sec. 9. Section 6, chapter 366, Laws of 1977 ex. sess. as amended by section 19, chapter 35, Laws of 1982 1st ex. sess. and RCW 54.28.025 are each amended to read as follows:

(1) There is hereby levied and there shall be collected from every district operating a thermal electric generating facility, as defined in RCW 54.28.010 as now or hereafter amended, having a design capacity of two hundred fifty thousand kilowatts or more, located on a federal reservation, which is placed in operation after September 21, 1977, a tax for the act or privilege of engaging within the state in the business of generating electricity for use or sale, equal to one and one-half percent of wholesale value of energy produced for use or sale, except energy used in the operation of component parts of the power plant and associated transmission facilities under control of the person operating the power plant.

(2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section ~~((for April, 1982, through June, 1983)).~~

Sec. 10. Section 24-A added to chapter 62, Laws of 1933 ex. sess. by section 3, chapter 158, Laws of 1935 as last amended by section 23, chapter 35, Laws of 1982 1st ex. sess. and RCW 66.24.210 are each amended to read as follows:

(1) There is hereby imposed upon all wines sold to wine wholesalers and the Washington state liquor control board, within the state a tax at the rate of twenty and one-fourth cents per liter: PROVIDED, HOWEVER, That wine sold or shipped in bulk from one winery to another winery shall not be subject to such tax. The tax provided for in this section may, if so prescribed by the board, be collected by means of stamps to be furnished by the board, or by direct payments based on wine purchased by wine wholesalers. Every person purchasing wine under the provisions of this section shall on or before the twentieth day of each month report to the board all purchases during the preceding calendar month in such manner and upon such forms as may be prescribed by the board, and with such report shall pay the tax due from the purchases covered by such report unless the same has previously been paid. Any such purchaser of wine whose applicable tax payment is not postmarked by the twentieth day following the month of purchase will be assessed a penalty at the rate of two percent a month or fraction thereof. If this tax be collected by means of stamps, every such person shall procure from the board revenue stamps representing the tax in such form as the board shall prescribe and shall affix the same to the package or container in such manner and in such denomination as required by the board and shall cancel the same prior to the delivery of the package or container containing the wine to the purchaser. If the tax is not collected by means of stamps, the board may require that every such person shall execute to and file with the board a bond to be approved by the board, in such amount as the board may fix, securing the payment of the tax. If any such person fails to pay the tax when due, the board may forthwith suspend or cancel the license until all taxes are paid.

(2) ~~((From and after the first day of May, 1982, until and including the thirtieth day of June, 1983,))~~ An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section. All revenues collected during any month from this additional tax shall be transferred to the state general fund by the twenty-fifth day of the following month.

Sec. 11. Section 24, chapter 62, Laws of 1933 ex. sess. as last amended by section 24, chapter 35, Laws of 1982 1st ex. sess. and RCW 66.24.290 are each amended to read as follows:

(1) Any brewer or beer wholesaler licensed under this title may sell and deliver beer to holders of authorized licenses direct, but to no other person, other than the board; and every such brewer or beer wholesaler shall report all sales to the board monthly, pursuant to the regulations, and shall pay to the board as an added tax for the privilege of manufacturing and selling the

beer within the state a tax of two dollars and sixty cents per barrel of thirty-one gallons on sales to licensees within the state and on sales to licensees within the state of bottled and canned beer shall pay a tax computed in gallons at the rate of two dollars and sixty cents per barrel of thirty-one gallons. Any brewer or beer wholesaler whose applicable tax payment is not postmarked by the twentieth day following the month of sale will be assessed a penalty at the rate of two percent per month or fraction thereof. Each such brewer or wholesaler shall procure from the board revenue stamps representing such tax in form prescribed by the board and shall affix the same to the barrel or package in such manner and in such denominations as required by the board, and shall cancel the same prior to commencing delivery from his place of business or warehouse of such barrels or packages. Beer shall be sold by brewers and wholesalers in sealed barrels or packages. The revenue stamps herein provided for need not be affixed and canceled in the making of resales of barrels or packages already taxed by the affixation and cancellation of stamps as provided in this section.

(2) (~~From and after the first day of May, 1982, until and including the thirtieth day of June, 1983,)~~ An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section. All revenues collected during any month from this additional tax shall be transferred to the state general fund by the twenty-fifth day of the following month.

(3) The tax imposed under this section shall not apply to "strong beer" as defined in this title.

Sec. 12. Section 82.08.150, chapter 15, Laws of 1961 as last amended by section 3, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.08.150 are each amended to read as follows:

(1) There is levied and shall be collected a tax upon each retail sale of spirits, or strong beer in the original package at the rate of fifteen percent of the selling price. The tax imposed in this subsection shall apply to all such sales including sales by the Washington state liquor stores and agencies, but excluding sales to class H licensees.

(2) There is levied and shall be collected a tax upon each sale of spirits, or strong beer in the original package at the rate of ten percent of the selling price on sales by Washington state liquor stores and agencies to class H licensees.

(3) There is levied and shall be collected an additional tax upon each retail sale of spirits in the original package at the rate of one dollar and seventy-two cents per liter. The additional tax imposed in this subsection shall apply to all such sales including sales by Washington state liquor stores and agencies, and including sales to class H licensees.

(4) (~~From and after the first day of May, 1982, until and including the thirtieth day of June, 1983,)~~ An additional tax is imposed equal to the rate

specified in RCW 82.02.030 multiplied by the taxes payable under subsections (1), (2), and (3) of this section.

(5) The tax imposed in RCW 82.08.020, as now or hereafter amended, shall not apply to sales of spirits or strong beer in the original package.

(6) The taxes imposed in this section shall be paid by the buyer to the seller, and each seller shall collect from the buyer the full amount of the tax payable in respect to each taxable sale under this section. The taxes required by this section to be collected by the seller shall be stated separately from the selling price and for purposes of determining the tax due from the buyer to the seller, it shall be conclusively presumed that the selling price quoted in any price list does not include the taxes imposed by this section.

(7) As used in this section, the terms, "spirits," "strong beer," and "package" shall have the meaning ascribed to them in chapter 66.04 RCW.

Sec. 13. Section 82.16.020, chapter 15, Laws of 1961 as last amended by section 1, chapter 5, Laws of 1982 2nd ex. sess. and RCW 82.16.020 are each amended to read as follows:

(1) There is levied and there shall be collected from every person a tax for the act or privilege of engaging within this state in any one or more of the businesses herein mentioned. The tax shall be equal to the gross income of the business, multiplied by the rate set out after the business, as follows:

(a) Railroad, express, railroad car, water distribution, light and power, ((telephone)) and telegraph businesses: Three and six-tenths percent;

(b) Gas distribution business: Three and six-tenths percent;

(c) Urban transportation business: Six-tenths of one percent;

(d) Vessels under sixty-five feet in length, except tugboats, operating upon the waters within the state: Six-tenths of one percent;

(e) Motor transportation and tugboat businesses, and all public service businesses other than ones mentioned above: One and eight-tenths of one percent.

(2) ~~((From and after the first day of April, 1982, until and including the thirtieth day of June, 1983,))~~ An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.

Sec. 14. Section 82.20.010, chapter 15, Laws of 1961 as amended by section 7, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.20.010 are each amended to read as follows:

(1) There is levied and there shall be collected a tax upon conveyances as follows: On any deed, instrument, or writing (unless deposited in escrow before May 1, 1935), whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser, or any other person by his direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, exceeds one hundred dollars and does not exceed five hundred dollars or fractional part

thereof, fifty cents; and for each additional five hundred dollars or fractional part thereof, fifty cents.

(2) (~~From and after the first day of May, 1982, until and including the thirtieth day of June, 1983;~~) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.

(3) This section shall not apply to any instrument or writing, given to secure a debt, nor to any conveyance to the state.

Sec. 15. Section 82.24.020, chapter 15, Laws of 1961 as last amended by section 8, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.24.020 are each amended to read as follows:

(1) There is levied and there shall be collected as hereinafter provided, a tax upon the sale, use, consumption, handling, possession or distribution of all cigarettes, in an amount equal to the rate of eight and one-half mills per cigarette. For purposes of this chapter and RCW 28A.47.440, "possession" shall mean both (a) physical possession by the purchaser and, (b) when cigarettes are being transported to or held for the purchaser or his designee by a person other than the purchaser, constructive possession by the purchaser or his designee, which constructive possession shall be deemed to occur at the location of the cigarettes being so transported or held.

(2) (~~From and after the first day of May, 1982, until and including the thirtieth day of June, 1983;~~) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section, RCW 82.24.025, and 28A.47.440.

Sec. 16. Section 82.26.020, chapter 15, Laws of 1961 as last amended by section 9, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.26.020 are each amended to read as follows:

(1) From and after June 1, 1971, there is levied and there shall be collected a tax upon the sale, use, consumption, handling, or distribution of all tobacco products in this state at the rate of forty-five percent of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (a) brings, or causes to be brought, into this state from without the state tobacco products for sale, (b) makes, manufactures, or fabricates tobacco products in this state for sale in this state, or (c) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

(2) (~~From and after the first day of May, 1982, until and including the thirtieth day of June, 1983;~~) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.

Sec. 17. Section 2, chapter 98, Laws of 1980 as last amended by section 6, chapter 284, Laws of 1983 and RCW 82.27.020 are each amended to read as follows:

(1) In addition to all other taxes, licenses, or fees provided by law there is established an excise tax on the commercial possession of food fish, shellfish, and anadromous game fish as provided in this chapter. The tax is levied upon and shall be collected from the owner of the food fish, shellfish, or anadromous game fish whose possession constitutes the taxable event. The taxable event is the first possession by an owner after the food fish, shellfish, or anadromous game fish have been landed. Processing and handling of food fish, shellfish, and anadromous game fish by a person who is not the owner is not a taxable event to the processor or handler.

(2) A person in possession of food fish, shellfish, and anadromous game fish and liable to this tax may deduct from the price paid to the person from which the food fish, shellfish (except oysters), or anadromous game fish are purchased an amount equal to a tax at one-half the rate levied in this section upon these products.

(3) The measure of the tax is the price paid by the first person in possession of the food fish, shellfish, or anadromous game fish. If the food fish, shellfish, or anadromous game fish are acquired other than by purchase or are purchased under conditions where the purchase price does not represent the value of the food fish, shellfish, or anadromous game fish or these products are transferred outside the state without sale, the measure of the tax shall be determined as nearly as possible according to the selling price of similar products of like quality and character under rules adopted by the department of revenue.

(4) The tax shall be equal to the measure of the tax multiplied by the rates for food fish, shellfish, and anadromous game fish as follows:

(a) Chinook, coho, and chum salmon and anadromous game fish: Five percent.

(b) Pink and sockeye salmon: Three percent.

(c) Other food fish and shellfish, except oysters: Two percent.

(d) Oysters: Seven one-hundredths of one percent.

(5) (~~From and after the first day of July, 1982, until and including the thirtieth day of June, 1983,~~) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (4) of this section.

Sec. 18. Section 3, chapter 61, Laws of 1975-'76 2nd ex. sess. as amended by section 11, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.29A.030 are each amended to read as follows:

(1) There is hereby levied and shall be collected a leasehold excise tax on the act or privilege of occupying or using publicly owned real or personal property through a leasehold interest on and after January 1, 1976, at a rate of twelve percent of taxable rent: PROVIDED, That after the computation of the tax there shall be allowed credit for any tax collected pursuant to RCW 82.29A.040.

(2) (~~From and after the first day of April, 1982, until and including the thirtieth day of June, 1983,)~~ An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.

Sec. 19. Section 82.44.020, chapter 15, Laws of 1961 as last amended by section 2, chapter 14, Laws of 1982 2nd ex. sess. and RCW 82.44.020 are each amended to read as follows:

(1) An excise tax is imposed for the privilege of using in the state any motor vehicle, except those operated under reciprocal agreements, the provisions of RCW 46.16.160 as now or hereafter amended, or dealer's licenses. The annual amount of such excise tax shall be two percent of the fair market value of such vehicle.

(2) From and after August 1, 1978, and until August 1, 2008, an additional excise tax is imposed, in addition to any other tax imposed by this section, for the privilege of using in the state any such motor vehicle, and the annual amount of such additional excise shall be two-tenths of one percent of the fair market value of such vehicle.

(3) The department of licensing and county auditors shall collect the additional tax imposed by subsection (2) of this section for any registration year for the months of that registration year in which such additional tax is effective, and in the same manner and at the same time as the tax imposed by subsection (1) of this section.

(4) In no case shall the total tax be less than two dollars except for proportionally registered vehicles.

(5) (~~From and after the first day of July, 1982, until and including the thirtieth day of September, 1983,)~~ An additional tax is imposed equal to the taxes payable under subsections (1) and (2) of this section multiplied by the rate (~~of tax applicable to the periods shown as follows:~~

July 1 - September 30, 1982	4%	specified in RCW 82.02.030.
October 1 - June 30, 1983	7%	
July 1 - September 30, 1983	3%	

Sec. 20. Section 28A.45.060, chapter 223, Laws of 1969 ex. sess. as last amended by section 14, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.45.060 are each amended to read as follows:

(1) There is imposed an excise tax upon each sale of real property at the rate of one percent of the selling price.

(2) (~~From and after the first day of May, 1982, until and including the thirtieth day of June, 1983,)~~ An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.

Sec. 21. Section 82.48.010, chapter 15, Laws of 1961 as last amended by section 239, chapter 158, Laws of 1979 and RCW 82.48.010 are each amended to read as follows:

For the purposes of this chapter, unless otherwise required by the context:

(1) "Aircraft" means any weight-carrying device or structure for navigation of the air(;) which is designed to be supported by the air((;but which is heavier than air));

(2) "Director" means the director of licensing; ((and))

(3) "Person" includes a firm, partnership or corporation;

(4) "Small multi-engine fixed wing" means any piston-driven multi-engine fixed wing aircraft with a maximum gross weight as listed by the manufacturer of less than seventy-five hundred pounds; and

(5) "Large multi-engine fixed wing" means any piston-driven multi-engine fixed wing aircraft with a maximum gross weight as listed by the manufacturer of seventy-five hundred pounds or more.

Sec. 22. Section 82.48.030, chapter 15, Laws of 1961 as last amended by section 3, chapter 9, Laws of 1967 ex. sess. and RCW 82.48.030 are each amended to read as follows:

(1) ~~The amount of the tax imposed by this chapter for each calendar year shall be ((fifteen dollars for each single engine aircraft, and twenty-five dollars for each multi-engine aircraft, irrespective of make, type, year of manufacture or any other type of classification: PROVIDED, That the calendar year))~~ as follows:

<u>Type of aircraft</u>	<u>Registration fee</u>
<u>Single engine fixed wing</u>	<u>\$ 50</u>
<u>Small multi-engine fixed wing</u>	<u>65</u>
<u>Large multi-engine fixed wing</u>	<u>80</u>
<u>Turboprop multi-engine fixed wing</u>	<u>100</u>
<u>Turbojet multi-engine fixed wing</u>	<u>125</u>
<u>Helicopter</u>	<u>75</u>
<u>Sailplane</u>	<u>20</u>
<u>Lighter than air</u>	<u>20</u>
<u>Home built</u>	<u>20</u>

(2) The amount of tax imposed under subsection (1) of this section for each calendar year shall be divided into twelve parts corresponding to the months of the calendar year and the excise tax upon an aircraft registered for the first time in this state after the last day of any month shall only be levied for the remaining months of the calendar year including the month in which the aircraft is being registered: PROVIDED ((FURTHER)), That the minimum amount payable shall be three dollars.



An aircraft shall be deemed registered for the first time in this state when such aircraft was not previously registered by this state for the year immediately preceding the year in which application for registration is made.

Sec. 23. Section 82.32.090, chapter 15, Laws of 1961 as last amended by section 32, chapter 7, Laws of 1983 and RCW 82.32.090 are each amended to read as follows:

If payment of any tax due is not received by the department of revenue by the due date, there shall be assessed a penalty of five percent of the amount of the tax; and if the tax is not received within thirty days after the due date, there shall be assessed a total penalty of ten percent of the amount of the tax; and if the tax is not received within sixty days after the due date, there shall be assessed a total penalty of twenty percent of the amount of the tax. No penalty so added shall be less than two dollars.

If payment of any tax is received within the first ten days of the month next succeeding the month in which the tax is payable, the amount of such payment shall be credited to, and shall be treated for all purposes as having been collected during, the fiscal year which includes the month preceding the month in which such due date falls. Effective June 30, 1985, and thereafter if the payment of any tax is received during the first ten days in ~~((the month in which the tax is payable))~~ July, the amount of such payment shall be credited to, and shall be treated for all purposes as having been collected during, the preceding fiscal year ~~((which includes the month preceding the month in which such due date falls))~~.

If a warrant be issued by the department of revenue for the collection of taxes, increases, and penalties, there shall be added thereto a penalty of five percent of the amount of the tax, but not less than five dollars.

Notwithstanding the foregoing, the aggregate of penalties imposed under this chapter for failure to file a return, late payment of any tax, increase, or penalty, or issuance of a warrant shall not exceed twenty-five percent of the tax due, or seven dollars, whichever is greater.

NEW SECTION. Sec. 24. There is added to chapter 82.04 RCW a new section to read as follows:

(1) "Competitive telephone service" means the providing by any person of telecommunications equipment or apparatus, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which can be provided by persons that are not subject to regulation as telephone companies under Title 80 RCW and for which a separate charge is made.

(2) "Network telephone service" means the providing by any person of access to a local telephone network, local telephone network switching service, toll service, or coin telephone services, or the providing of telephonic, video, data, or similar communication or transmission for hire, via a local

telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" includes interstate service, including toll service, originating from or received on telecommunications equipment or apparatus in this state if the charge for the service is billed to a person in this state. "Network telephone service" does not include the providing of competitive telephone service, the providing of cable television service, nor the providing of broadcast services by radio or television stations.

(3) "Telephone service" means competitive telephone service or network telephone service, or both, as defined in subsections (1) and (2) of this section.

(4) "Telephone business" means the business of providing network telephone service, as defined in subsection (2) of this section. It includes cooperative or farmer line telephone companies or associations operating an exchange.

Sec. 25. Section 1, chapter 8, Laws of 1970 ex. sess. as last amended by section 3, chapter 144, Laws of 1981 and RCW 82.04.050 are each amended to read as follows:

(1) "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, or (d) purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in (~~RCW 82.16.010~~) section 24 of this 1983 act. 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), (c), or (d) 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, subsections (2) and (7) and RCW 82.04.290.

(2) 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 also excluding sales of laundry service to members by nonprofit associations composed exclusively of nonprofit hospitals, 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, including 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; and for purposes of this section the term "janitorial services" shall mean those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting; (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 RCW; (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.

(3) 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.

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

(5) The term shall also include the providing of ((competitive)) telephone service, as defined in ((RCW 82.16.010)) section 24 of this 1983 act, to consumers.

(6) 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 street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used primarily for foot or vehicular traffic including 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.

(7) The term shall not include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including 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. Nor shall the term include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority.

Sec. 26. Section 82.04.060, chapter 15, Laws of 1961 and RCW 82.04.060 are each amended to read as follows:

"Sale at wholesale" or "wholesale sale" means any sale of tangible personal property, or any sale of telephone service as defined in section 24 of this 1983 act, which is not a sale at retail and means any charge made for labor and services rendered for persons who are not consumers, in respect to real or personal property, if such charge is expressly defined as a retail sale by RCW 82.04.050 when rendered to or for consumers: PROVIDED, That the term "real or personal property" as used in this section shall not include any natural products named in RCW 82.04.100.

Sec. 27. Section 82.04.190, chapter 15, Laws of 1961 as last amended by section 2, chapter 90, Laws of 1975 1st ex. sess. and RCW 82.04.190 are each amended to read as follows:

"Consumer" means the following:

(1) Any person who purchases, acquires, owns, holds, or uses any article of tangible personal property irrespective of the nature of ((his)) the person's 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 for the purpose (a) of resale as tangible personal property in the regular course of business or (b) of incorporating such property as an ingredient or component of real or personal property when installing, repairing, cleaning, altering, imprinting, improving, constructing, or decorating such real or personal property of or for consumers or (c) of consuming such property in producing for sale a new article of tangible personal property or a new substance, of which such property becomes an ingredient or component or as 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;

(2) Any person engaged in any business activity taxable under RCW 82.04.290 and any person who purchases, acquires, or uses any telephone service as defined in section 24 of this 1983 act, other than for resale in the regular course of business;

(3) Any person engaged in the business of contracting for the building, repairing or improving of any street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state of Washington or by the United States and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind as defined in RCW 82.04.280, in respect to tangible personal property when such person incorporates such property as an ingredient or component of such publicly owned street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle by installing, placing or spreading the property in or upon the right of way of such street, place, road, highway,

easement, bridge, tunnel, or trestle or in or upon the site of such mass public transportation terminal or parking facility;

(4) Any person who is an owner, lessee or has the right of possession to or an easement in real property which is being constructed, repaired, decorated, improved, or otherwise altered by a person engaged in business, excluding only (a) municipal corporations or political subdivisions of the state in respect to labor and services rendered to their real property which is used or held for public road purposes, and (b) the United States, instrumentalities thereof, and county and city housing authorities created pursuant to chapter 35.82 RCW in respect to labor and services rendered to their real property. Nothing contained in this or any other subsection of this definition shall be construed to modify any other definition of "consumer";

(5) Any person who is an owner, lessee, or has the right of possession to personal property which is being constructed, repaired, improved, cleaned, imprinted, or otherwise altered by a person engaged in business;

(6) Any person engaged in the business of constructing, repairing, decorating, or improving new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including 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. Any such person shall be a consumer within the meaning of this subsection in respect to tangible personal property incorporated into, installed in, or attached to such building or other structure by such person.

Sec. 28. Section 82.04.460, chapter 15, Laws of 1961 as amended by section 9, chapter 291, Laws of 1975 1st ex. sess. and RCW 82.04.460 are each amended to read as follows:

(1) Any person rendering services taxable under RCW 82.04.290 and maintaining places of business both within and without this state which contribute to the rendition of such services shall, for the purpose of computing tax liability under RCW 82.04.290, apportion to this state that portion of his gross income which is derived from services rendered within this state. Where such apportionment cannot be accurately made by separate accounting methods, the taxpayer shall apportion to this state that proportion of his total income which the cost of doing business within the state bears to the total cost of doing business both within and without the state.

(2) Notwithstanding the provision of subsection (1) of this section, persons doing business both within and without the state who receive gross income from service charges, as defined in RCW 63.14.010(8) (relating to amounts charged for granting the right or privilege to make deferred or installment payments) or who receive gross income from engaging in business as financial institutions within the scope of chapter 82.14A RCW (relating

to city taxes on financial institutions) shall apportion or allocate gross income taxable under RCW 82.04.290 to this state pursuant to rules promulgated by the department consistent with uniform rules for apportionment or allocation developed by the states.

(3) The department shall by rule provide a method or methods of apportioning or allocating gross income derived from sales of telephone services taxed under this chapter, if the gross proceeds of sales subject to tax under this chapter do not fairly represent the extent of the taxpayer's income attributable to this state. The rules shall be, so far as feasible, consistent with the methods of apportionment contained in this section and shall require the consideration of those facts, circumstances, and apportionment factors as will result in an equitable and constitutionally permissible division of the services.

Sec. 29. Section 82.04.470, chapter 15, Laws of 1961 as amended by section 43, chapter 278, Laws of 1975 1st ex. sess. and RCW 82.04.470 are each amended to read as follows:

Unless a seller has taken from the purchaser a resale certificate signed by, and bearing the name and address and registration number of the purchaser to the effect that the property or service was purchased for resale, or unless the nature of the transaction is clearly shown as a sale at wholesale by the books and records of the taxpayer in such other manner as the department of revenue shall by regulation provide, the burden of proving that a sale of tangible personal property, or of telephone service as defined in section 24 of this 1983 act, was not a sale at retail shall be upon the person who made it.

NEW SECTION. Sec. 30. There is added to chapter 82.08 RCW a new section to read as follows:

(1) The tax levied by RCW 82.08.020 shall not apply to sales of:

(a) Network telephone service, other than toll service, to residential customers.

(b) Network telephone service which is paid for by inserting coins in coin-operated telephones.

(2) As used in this section:

(a) "Network telephone service" has the meaning given in section 24 of this act.

(b) "Residential customer" means an individual subscribing to a residential class of telephone service.

(c) "Toll service" does not include customer access line charges for access to a toll calling network.

Sec. 31. Section 3, chapter 94, Laws of 1970 ex. sess. as last amended by section 1, chapter 211, Laws of 1982 and RCW 82.14.020 are each amended to read as follows:

For purposes of this chapter:

(1) A retail sale consisting solely of the sale of tangible personal property shall be deemed to have occurred at the retail outlet at or from which delivery is made to the consumer;

(2) A retail sale consisting essentially of the performance of personal business or professional services shall be deemed to have occurred at the place at which such services were primarily performed;

(3) A retail sale consisting of the rental of tangible personal property shall be deemed to have occurred (a) in the case of a rental involving periodic rental payments, at the primary place of use by the lessee during the period covered by each payment, or (b) in all other cases, at the place of first use by the lessee;

(4) A retail sale within the scope of the second paragraph of RCW 82.04.050, and a retail sale of taxable personal property to be installed by the seller shall be deemed to have occurred at the place where the labor and services involved were primarily performed;

(5) A retail sale consisting of the providing to a consumer of ((competitive)) telephone service, as defined in ((RCW 82.16.010)) section 24 of this 1983 act, other than a sale of tangible personal property under subsection (1) of this section or a rental of tangible personal property under subsection (3) of this section, shall be deemed to have occurred at the situs of the ((primary)) telephone or other instrument through which the ((competitive)) telephone service is rendered;

(6) "City" means a city or town;

(7) The meaning ascribed to words and phrases in chapters 82.04, 82.08 and 82.12 RCW, as now or hereafter amended, insofar as applicable, shall have full force and effect with respect to taxes imposed under authority of this chapter;

(8) "Taxable event" shall mean any retail sale, or any use of an article of tangible personal property, upon which a state tax is imposed pursuant to chapter 82.08 or 82.12 RCW, as they now exist or may hereafter be amended: PROVIDED, HOWEVER, That the term shall not include a retail sale taxable pursuant to RCW 82.08.150, as now or hereafter amended;

(9) "Treasurer or other legal depository" shall mean the treasurer or legal depository of a county or city.

Sec. 32. Section 82.16.010, chapter 15, Laws of 1961 as last amended by section 1, chapter 9, Laws of 1982 2nd ex. sess and RCW 82.16.010 are each amended to read as follows:

For the purposes of this chapter, unless otherwise required by the context:

(1) "Railroad business" means the business of operating any railroad, by whatever power operated, for public use in the conveyance of persons or property for hire. It shall not, however, include any business herein defined as an urban transportation business.



(2) "Express business" means the business of carrying property for public hire on the line of any common carrier operated in this state, when such common carrier is not owned or leased by the person engaging in such business.

(3) "Railroad car business" means the business of renting, leasing or operating stock cars, furniture cars, refrigerator cars, fruit cars, poultry cars, tank cars, sleeping cars, parlor cars, buffet cars, tourist cars, or any other kinds of cars used for transportation of property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person engaging in such business.

(4) "Water distribution business" means the business of operating a plant or system for the distribution of water for hire or sale.

(5) "Light and power business" means the business of operating a plant or system for the generation, production or distribution of electrical energy for hire or sale.

~~(6) ("Telephone business" means the business of providing access to a local telephone network, local telephone network switching service, toll service, or coin telephone services, or providing telephonic, video, data, or similar communication or transmission for hire, via a local telephone network, toll line or channel, or similar communication or transmission system. It includes cooperative or farmer line telephone companies or associations operating an exchange. "Telephone business" does not include the providing of competitive telephone service, nor the providing of cable television service.~~

~~(7))~~ "Telegraph business" means the business of affording telegraphic communication for hire.

~~((8))~~ (7) "Gas distribution business" means the business of operating a plant or system for the production or distribution for hire or sale of gas, whether manufactured or natural.

~~((9))~~ (8) "Motor transportation business" means the business (except urban transportation business) of operating any motor propelled vehicle by which persons or property of others are conveyed for hire, and includes, but is not limited to, the operation of any motor propelled vehicle as an auto transportation company (except urban transportation business), common carrier or contract carrier as defined by RCW 81.68.010 and 81.80.010: PROVIDED, That "motor transportation business" shall not mean or include the transportation of logs or other forest products exclusively upon private roads or private highways.

~~((+0))~~ (9) "Urban transportation business" means the business of operating any vehicle for public use in the conveyance of persons or property for hire, insofar as (a) operating entirely within the corporate limits of any city or town, or within five miles of the corporate limits thereof, or (b) operating entirely within and between cities and towns whose corporate

limits are not more than five miles apart or within five miles of the corporate limits of either thereof. Included herein, but without limiting the scope hereof, is the business of operating passenger vehicles of every type and also the business of operating cartage, pickup, or delivery services, including in such services the collection and distribution of property arriving from or destined to a point within or without the state, whether or not such collection or distribution be made by the person performing a local or interstate line-haul of such property.

~~((+1))~~ (10) "Public service business" means any of the businesses defined in subdivisions (1), (2), (3), (4), (5), (6), (7), (8), and ~~(9)~~~~(+0))~~ or any business subject to control by the state, or having the powers of eminent domain and the duties incident thereto, or any business hereafter declared by the legislature to be of a public service nature, except telephone business as defined in section 24 of this 1983 act. It includes, among others, without limiting the scope hereof: Airplane transportation, boom, dock, ferry, log patrol, pipe line, warehouse, toll bridge, toll logging road, water transportation and wharf businesses.

~~((+2))~~ (11) "Tugboat business" means the business of operating tugboats, towboats, wharf boats or similar vessels in the towing or pushing of vessels, barges or rafts for hire.

~~((+3))~~ (12) "Gross income" means the value proceeding or accruing from the performance of the particular public service or transportation business involved, including operations incidental thereto, but without any deduction on account of the cost of the commodity furnished or sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses: PROVIDED, That gross income of a light and power business means those amounts or value accruing to a taxpayer from the last distribution of electrical energy which is a taxable event within this state.

~~((+4))~~ (13) The meaning attributed, in chapter 82.04 RCW, to the term "tax year," "person," "value proceeding or accruing," "business," "engaging in business," "in this state," "within this state," "cash discount" and "successor" shall apply equally in the provisions of this chapter.

~~((+5) "Competitive telephone service" means the providing by any person of telephone equipment, apparatus, or service, other than toll service, which is of a type which can be provided by persons that are not subject to regulation as telephone companies under Title 80 RCW and for which a separate charge is made:))~~

Sec. 33. Section 6, chapter 134, Laws of 1972 ex. sess. as last amended by section 7, chapter 99, Laws of 1983 and RCW 35.21.710 are each amended to read as follows:

Any city which imposes a license fee or tax upon business activities consisting of the making of retail sales of tangible personal property which

are measured by gross receipts or gross income from such sales, shall impose such tax at a single uniform rate upon all such business activities. The taxing authority granted to cities for taxes upon business activities measured by gross receipts or gross income from sales shall not exceed a rate of .0020; except that any city with an adopted ordinance at a higher rate, as of January 1, 1982 shall be limited to a maximum increase of ten percent of the January 1982 rate, not to exceed an annual incremental increase of two percent of current rate: PROVIDED, That any adopted ordinance which classifies according to different types of business or services shall be subject to both the ten percent and the two percent annual incremental increase limitation on each tax rate: PROVIDED FURTHER, That all surtaxes on business and occupation classifications in effect as of January 1, 1982, shall expire no later than December 31, 1982, or by expiration date established by local ordinance. Cities which impose a license fee or tax upon business activities consisting of the making of retail sales of tangible personal property which are measured by gross receipts or gross income from such sales shall be required to submit an annual report to the state auditor identifying the rate established and the revenues received from each fee or tax. This section shall not apply to any business activities subject to the tax imposed by chapter 82.16 RCW. For purposes of this section, the providing to consumers of competitive telephone service, as defined in (~~RCW 82.16.010~~) section 24 of this 1983 act, shall be deemed to be the retail sale of tangible personal property.

Sec. 34. Section 7, chapter 134, Laws of 1972 ex. sess. as amended by section 7, chapter 144, Laws of 1981 and RCW 35A.82.050 are each amended to read as follows:

Any code city which imposes a license fee or tax upon business activities consisting of the making of retail sales of tangible personal property which are measured by gross receipts or gross income from such sales, shall impose such tax at a single uniform rate upon all such business activities. This section shall not apply to any business activities subject to the tax imposed by chapter 82.16 RCW. For purposes of this section, the providing to consumers of competitive telephone service, as defined in (~~RCW 82.16.010~~) section 24 of this 1983 act, shall be deemed to be the retail sale of tangible personal property.

Sec. 35. Section 8, chapter 144, Laws of 1981 and RCW 35.21.712 are each amended to read as follows:

Any city which imposes a license fee or tax upon the business activity of engaging in the telephone business, as defined in (~~RCW 82.16.010~~) section 24 of this 1983 act, which is measured by gross receipts or gross income from the business shall impose the tax at a uniform rate on all persons engaged in the telephone business in the city.

This section does not apply to the providing of competitive telephone service as defined in (~~RCW 82.16.010~~) section 24 of this 1983 act.

Sec. 36. Section 9, chapter 144, Laws of 1981 and RCW 35A.82.055 are each amended to read as follows:

Any code city which imposes a license fee or tax upon the business activity of engaging in the telephone business, as defined in (~~RCW 82.16-010~~) section 24 of this 1983 act, which is measured by gross receipts or gross income from the business shall impose the tax at a uniform rate on all persons engaged in the telephone business in the code city.

This section does not apply to the providing of competitive telephone service as defined in (~~RCW 82.16.010~~) section 24 of this 1983 act.

Sec. 37. Section 10, chapter 144, Laws of 1981 and RCW 35.21.714 are each amended to read as follows:

Any city which imposes a license fee or tax upon the business activity of engaging in the telephone business, as defined in (~~RCW 82.16.010~~) section 24 of this 1983 act, which is measured by gross receipts or gross income may impose the fee or tax, if it desires, on one hundred percent of the total gross revenue derived from intrastate toll telephone services subject to the fee or tax: PROVIDED, That the city shall not impose the fee or tax on that portion of network telephone service, as defined in section 24 of this 1983 act, which represents access to, or charges for, interstate services for which rates are contained in tariffs filed with the federal communications commission.

Sec. 38. Section 11, chapter 144, Laws of 1981 and RCW 35A.82.060 are each amended to read as follows:

Any code city which imposes a license fee or tax upon the business activity of engaging in the telephone business, as defined in (~~RCW 82.16-010~~) section 24 of this 1983 act, which is measured by gross receipts or gross income may impose the fee or tax, if it desires, on one hundred percent of the total gross revenue derived from intrastate toll telephone services subject to the fee or tax: PROVIDED, That the city shall not impose the fee or tax on that portion of network telephone service, as defined in section 24 of this 1983 act, which represents access to, or charges for, interstate services for which rates are contained in tariffs filed with the federal communications commission.

Sec. 39. Section 2, chapter 49, Laws of 1982 1st ex. sess. and RCW 35.21.860 are each amended to read as follows:

(1) No city or town may impose a franchise fee or any other fee or charge of whatever nature or description upon the light and power, (~~telephone~~) or gas distribution businesses, as defined in RCW 82.16.010, or telephone business, as defined in section 24 of this 1983 act, except that (a) a tax authorized by RCW 35.21.865 may be imposed and (b) a fee may be charged to such businesses that recovers actual administrative expenses incurred by a city or town that are directly related to receiving and approving

a permit, license, and franchise, to inspecting plans and construction, or to the preparation of a detailed statement pursuant to chapter 43.21C RCW.

(2) Subsection (1) of this section does not prohibit franchise fees imposed on an electrical energy, natural gas, or telephone business, by contract existing on April 20, 1982, with a city or town, for the duration of the contract, but the franchise fees shall be considered taxes for the purposes of the limitations established in RCW 35.21.865 and 35.21.870 to the extent the fees exceed the costs allowable under subsection (1) of this section.

Sec. 40. Section 80.04.270, chapter 14, Laws of 1961 as amended by section 5, chapter 144, Laws of 1981 and RCW 80.04.270 are each amended to read as follows:

Any public service company engaging in the sale of merchandise or appliances or equipment shall keep separate accounts, as prescribed by the commission, of its capital employed in such business and of its revenues therefrom and operating expenses thereof. The capital employed in such business shall not constitute a part of the fair value of said company's property for rate making purposes, nor shall the revenues from or operating expenses of such business constitute a part of the operating revenues and expenses of said company as a public service company. For purposes of this section, the providing of competitive telephone service, as defined in (~~RCW 82.16.010~~) section 24 of this 1983 act, shall not constitute the sale of merchandise, appliances, or equipment, unless the commission determines that it would be in the public interest to hold otherwise.

Sec. 41. Section 82.08.020, chapter 15, Laws of 1961 as last amended by section 6, chapter 7, Laws of 1983 and RCW 82.08.020 are each amended to read as follows:

(1) There is levied and there shall be collected a tax on each retail sale in this state equal to six and five-tenths percent of the selling price: PROVIDED, That for retail sales other than retail sales of telephone services, as defined in section 24 of this 1983 act, such tax shall be levied and collected in border counties in an amount equal to five and four-tenths percent of the selling price.

(2) The tax imposed under this chapter shall apply to successive retail sales of the same property.

(3) The rate provided in this section applies to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

Sec. 42. Section 9, chapter 7, Laws of 1983 and RCW 82.\_\_\_\_ are each amended to read as follows:

An excise tax is imposed for the privilege of using a vessel (~~for which registration is required under chapter 88.\_\_\_\_ RCW (sections 14 through 22 of this act)~~) upon the waters of this state, except vessels ((covered by a dealer's registration number under this chapter)) exempt under section 43 of this 1983 act. The annual amount of the excise tax is one-half of one

percent of fair market value, as determined under this chapter, or five dollars, whichever is greater.

The excise tax upon a vessel registered for the first time in this state shall be imposed for a twelve-month period, including the month in which the vessel is registered, unless the director of licensing extends or diminishes vessel registration periods for the purpose of staggered renewal periods under RCW 88.—.— (section 18 ((of this act)), chapter 7, Laws of 1983). A vessel is registered for the first time in this state when the vessel was not registered in this state for the immediately preceding registration year, or when the vessel was registered in another jurisdiction for the immediately preceding year. The excise tax on vessels required to be registered in this state on the effective date of this section shall be paid by June 30, 1983.

NEW SECTION, Sec. 43. There is added to chapter 82, RCW (sections 9 through 13, chapter 7, Laws of 1983) a new section to read as follows:

The following are exempt from the tax imposed under this chapter:

- (1) Vessels exempt from the registration requirements of chapter 88, RCW (sections 14 through 22, chapter 7, Laws of 1983);
- (2) Vessels used exclusively for commercial fishing purposes;
- (3) Vessels owned and operated by the United States, a state of the United States, or any municipality or political subdivision thereof;
- (4) Vessels owned by a nonprofit organization or association engaged in character building of boys and girls under eighteen years of age and solely used for such purposes, as determined by the department for the purposes of RCW 84.36.030; and
- (5) Vessels owned and held for sale by a dealer, but not rented on a regular commercial basis.

\*Sec. 44. Section 16, chapter 7, Laws of 1983 and RCW 88, . . . are each amended to read as follows:

Vessel registration is required under this chapter except for the following:

- (1) ~~((Vessels owned and operated by the United States, another state, or a political subdivision thereof))~~ Military or public vessels of the United States, except recreational-type public vessels;
- (2) ~~Vessels owned ((and operated by this state, or by any municipality or political subdivision thereof))~~ by a state or subdivision thereof, used principally for governmental purposes and clearly identifiable as such;
- (3) Vessels owned by a resident of a country other than the United States or Canada if the vessel is not physically located upon the waters of this state for a period of more than sixty days;
- (4) Vessels owned by a resident of another state or a Canadian province if the vessel is registered in accordance with the laws of the state or province in which the owner resides, but only to the extent that a similar exemption or privilege is granted under the laws of that state or province for

vessels registered in this state: PROVIDED, That any vessel which is validly registered in another state or a Canadian province and which is physically located in this state for a period of more than sixty days is subject to registration under this chapter;

(5) Vessels used as a ship's ((tender or)) lifeboat;

(6) Vessels equipped with propulsion machinery of less than ten horse power that:

(a) Are owned by the owner of a vessel for which a valid vessel number has been issued;

(b) Display the number of that numbered vessel followed by the suffix "1" in the manner prescribed by the department; and

(c) Are used as a tender for direct transportation between that vessel and the shore and for no other purpose;

*(7) Vessels under sixteen feet in overall length ((or whose primary propulsion is human power)) which have no propulsion machinery of any type;*

((7)) (8) Vessels with no propulsion machinery of any type for which the primary mode of propulsion is human power;

(9) Vessels which are temporarily in this state undergoing repair or alteration ((and vessels which are designed and used exclusively for racing));

((8) Vessels used exclusively for commercial fishing purposes; and

(9)) (10) Vessels primarily engaged in commerce which have or are required to have a valid marine document as a vessel of the United States ((and which are primarily engaged in commerce)); and

(11) Vessels primarily engaged in commerce which are owned by a resident of a country other than the United States.

\*Sec. 44 was partially vetoed, see message at end of chapter.

Sec. 45. Section 18, chapter 7, Laws of 1983 and RCW 88.\_\_\_\_ are each amended to read as follows:

Application for a vessel registration shall be made to the department or its authorized agent in the manner and upon forms prescribed by the department. The application shall state the name and address of each owner of the vessel and such other information as may be required by the department, shall be signed by at least one owner, and shall be accompanied by a vessel registration fee of six dollars per year and the excise tax imposed under chapter 82.\_\_\_\_ RCW (sections 9 through 13 ((of this act)), chapter 7, Laws of 1983). Any fees required for licensing agents under RCW 46.01-.140 shall be in addition to the six-dollar annual registration fee.

Upon receipt of the application and the registration fee, the department shall assign a registration number and issue a decal for each vessel. The registration number and decal shall be issued and affixed to the vessel in a manner prescribed by the department consistent with the standard numbering system for vessels set forth in volume 33, part 174, of the code of federal regulations. A valid decal affixed as prescribed shall indicate compliance with the annual registration requirements of this chapter.

The vessel registrations and decals are valid for a period of one year, except that the director of licensing may extend or diminish vessel registration periods, and the decals therefor, for the purpose of staggered renewal periods. For registration periods of more or less than one year, the department may collect prorated annual registration fees and excise taxes based upon the number of months in the registration period. Vessel registrations are renewable every year in a manner prescribed by the department upon payment of the vessel registration fee and excise tax. Upon renewing a vessel registration, the department shall issue a new decal to be affixed as prescribed by the department.

A person acquiring a vessel from a dealer or a vessel already validly registered under this chapter shall, within fifteen days of the acquisition or purchase of the vessel, apply to the department or its authorized agent for transfer of the vessel registration, and the application shall be accompanied by a transfer fee of one dollar.

NEW SECTION. Sec. 46. There is added to chapter 88, RCW (sections 14 through 22, chapter 7, Laws of 1983) a new section to read as follows:

(1) The department shall provide for the issuance of vessel certificates of title through the agents appointed under RCW 88.\_\_\_\_ (section 17, chapter 7, Laws of 1983). The fee for a vessel certificate of title is five dollars. Fees for vessel certificates of title shall be deposited in the general fund. The provisions of chapters 46.12 and 46.16 RCW relating to motor vehicle certificates of registration, titles, certificate issuance, ownership transfer, and perfection of security interests, and other provisions which may be applied to vessels subject to this chapter, may be so applied by rule of the department if they are not inconsistent with this chapter.

(2) Whenever a vessel is to be registered for the first time as required by this chapter, application shall be made at the same time for a certificate of title. Any person who purchases or otherwise obtains majority ownership of any vessel subject to the provisions of this chapter shall within fifteen days thereof apply for a new certificate of title which shows the vessel's change of ownership.

(3) Security interests may be released or acted upon as provided by the law under which they arose or were perfected. No new security interest or renewal or extension of an existing security interest is affected except as provided under the terms of this chapter and RCW 46.12.095.

(4) Notice shall be given to the issuing authority by the owner indicated on the certificate of registration within fifteen days of the occurrence of any of the following: Transfer of any part or all of the ownership of a vessel registered under this chapter; any change of address of owner; destruction, loss, abandonment, theft, or recovery of the vessel; or loss or destruction of a valid certificate of registration on the vessel.



Sec. 47. Section 15, chapter 7, Laws of 1983 and RCW 88.\_\_\_\_ are each amended to read as follows:

(1) Except as provided in this chapter, no person may own or operate any vessel on the waters of this state unless the vessel has been registered and displays a registration number and a valid decal in accordance with this chapter, except that a vessel which has or is required to have a valid marine document as a vessel of the United States is only required to display a valid decal.

(2) No person may use any vessel to which this chapter applies:

(a) In a negligent manner so as to endanger the life, limb, or property of any person; or

(b) While under the influence of alcohol, narcotic drugs, hallucinogens, or other controlled substances.

NEW SECTION. Sec. 48. There is added to chapter 88.\_\_\_\_ RCW (sections 14 through 22, chapter 7, Laws of 1983) a new section to read as follows:

(1) The operator of a vessel involved in a collision, accident, or other casualty, to the extent the operator can do so without serious danger to the operator's own vessel or persons aboard, shall render all practical and necessary assistance to persons affected by the collision, accident, or casualty to save them from danger caused by the incident. Under no circumstances may the rendering of assistance or other compliance with this section be evidence of the liability of such operator for the collision, accident, or casualty. The operator shall also give his or her name, address, and the identification of the operator's vessel to the commission and any person injured and to the owner of any property damaged. These duties are in addition to any duties otherwise imposed by law.

(2) Any person who complies with subsection (1) of this section or who gratuitously and in good faith renders assistance at the scene of a vessel collision, accident, or other casualty, without objection of the person assisted, shall not be held liable for any civil damages as a result of the rendering of assistance or for any act or omission in providing or arranging salvage, towage, medical treatment, or other assistance, where the assisting person acts as any reasonably prudent person would have acted under the same or similar circumstances.

\*NEW SECTION. Sec. 49. There is added to chapter 82.\_\_\_\_ RCW (sections 9 through 13, chapter 7, Laws of 1983) a new section to read as follows:

(1) Any county may impose a tax, by ordinance or resolution, upon the privilege of using a vessel taxable under RCW 82.\_\_\_\_ (section 9, chapter 7, Laws of 1983) which is moored or stored in the county, if the population of the unincorporated area of the county together with the population of the cities which are parties to an interlocal agreement under chapter 39.34 RCW equal or exceed two-thirds of the total population of the county:

PROVIDED, That such agreement shall take into consideration any marine patrols provided as of the effective date of this section. The annual amount of the tax shall be up to fifty cents per foot of the vessel per calendar year, or part thereof.

(2) The excise tax upon a vessel registered for the first time in this state shall be imposed for a twelve-month period, including the month in which the vessel is registered, unless the director of licensing extends or diminishes vessel registration periods for the purpose of staggered renewal periods under RCW 88.\_\_\_\_ (section 18, chapter 7, Laws of 1983). A vessel is registered for the first time in this state when the vessel was not registered in this state for the immediately preceding registration year, or when the vessel was registered in another jurisdiction for the immediately preceding year.

***(3) The tax imposed under this section is due and payable to the department of licensing or its agents at the time of registration of a vessel.***

(4) The moneys collected under this section shall be distributed by the county monthly to the parties to the interlocal agreement according to the terms of the agreement. Moneys collected under this section shall be used only for administration and enforcement of boating safety, search and rescue operations concerning boating, and boating patrols.

\*Sec. 51 was partially vetoed, see message at end of chapter.

Sec. 50. Section 22, chapter 7, Laws of 1983 and RCW 88.\_\_\_\_ are each amended to read as follows:

(1) A violation of this chapter is a misdemeanor punishable only by a fine not to exceed one hundred dollars per vessel for the first violation. Subsequent violations in the same year are subject to the following fines:

(a) For the second violation, a fine of two hundred dollars per vessel;

(b) For the third and successive violations, a fine of four hundred dollars per vessel.

(2) After subtraction of court costs and administrative collection fees, moneys collected under this section shall be ((used by the jurisdiction collecting the fine exclusively for law enforcement purposes)) credited to the current expense fund of the arresting jurisdiction.

(3) All law enforcement officers shall have the authority to enforce this chapter within their respective jurisdictions.

Sec. 51. Section 84.36.080, chapter 15, Laws of 1961 as amended by section 23, chapter 7, Laws of 1983 and RCW 84.36.080 are each amended to read as follows:

All ships and vessels which are exempt from excise tax under subsection ~~((s (8) and (9) of section 16 of this 1983 act))~~ (2) of section 43 of this 1983 act and subsection (10) of RCW 88.\_\_\_\_ (section 44 of this 1983 act) shall be and are hereby made exempt from all ad valorem taxes, except taxes levied for any state purpose.

NEW SECTION, Sec. 52. There is added to chapter 43.51 RCW a new section to read as follows:

The state parks and recreation commission shall:

(1) Coordinate a state-wide program of boating safety education using to the maximum extent possible existing programs offered by the United States power squadron and the United States coast guard auxiliary;

(2) Adopt rules in accordance with chapter 34.04 RCW, consistent with United States coast guard regulations, standards, and precedents, as needed for the efficient administration and enforcement of this section;

(3) Develop by January 31, 1984, a state-wide inventory of marine state parks and recreational facilities operated by other state and local agencies that are available for marine-related use by persons owning boats in this state;

(4) Enter into agreements aiding the administration of this chapter;

(5) Adopt and administer a casualty and accident reporting program consistent with United States coast guard regulations;

(6) Coordinate with local and state agencies the development of biennial plans and programs for the enhancement of boating safety, safety education, and enforcement of safety rules and laws; allocate money appropriated to the commission for these programs as necessary; and accept and administer any public or private grants or federal funds which are obtained for these purposes under chapter 43.88 RCW; and

(7) Take additional actions necessary to gain acceptance of a program of boating safety for this state under the federal boating safety act of 1971.

**\*NEW SECTION**, Sec. 53. *(1) One-half of the tax paid for a vessel under section 9, chapter 7, Laws of 1983, before its amendment under this act, shall be allowed as a credit against tax due for the vessel in 1984 under section 42 of this act.*

(2) An owner of a vessel covered by a valid certificate of registration issued under federal law may continue to operate the vessel in this state under that federal registration until January 31, 1984. The provisions of chapter 82.\_\_\_\_ RCW (sections 9 through 13, chapter 7, Laws of 1983) and chapter 88.\_\_\_\_ RCW (sections 14 through 22, chapter 7, Laws of 1983) shall apply to all such vessels after January 31, 1984, except that the excise tax imposed under chapter 82.\_\_\_\_ RCW (sections 9 through 13, chapter 7, Laws of 1983) shall be assessed as if such vessels had been required to be registered on June 30, 1983.

\*Sec. 53 was partially vetoed, see message at end of chapter.

NEW SECTION, Sec. 54. There is added to chapter 39.64 RCW a new section to read as follows:

Nothing in this chapter may be deemed to grant to any operating agency organized under chapter 43.52 RCW, or a project of any such operating agency, the authority to levy any tax or assessment not otherwise authorized by law.

NEW SECTION, Sec. 55. There is added to chapter 82.02 RCW a new section to read as follows:

Nothing in this title may be deemed to grant to any operating agency organized under chapter 43.52 RCW, or a project of any such operating agency, the authority to levy any tax or assessment not otherwise authorized by law.

NEW SECTION, Sec. 56. There is added to chapter 84.09 RCW a new section to read as follows:

Nothing in this title may be deemed to grant to any operating agency organized under chapter 43.52 RCW, or a project of any such operating agency, the authority to levy any tax or assessment not otherwise authorized by law.

Sec. 57. Section 33, chapter 7, Laws of 1983 and RCW 82.32. . . . are each amended to read as follows:

The revenue accrual account is hereby created in the state general fund. At the close of each fiscal biennium, the state treasurer shall transfer the balance in the state general fund, other than amounts reappropriated for the next fiscal biennium, to this account. Moneys in this account may only be spent after appropriation by statute for the purpose of decreasing the unfunded liability of a state retirement system.

NEW SECTION, Sec. 58. Section 10, chapter 172, Laws of 1981 and RCW 82.04.265 are each repealed.

Sec. 59. Section 1, chapter 347, Laws of 1977 ex. sess. as last amended by section 2, chapter 4, Laws of 1982 2nd ex. sess. and RCW 84.33.071 are each amended to read as follows:

(1) Upon every person engaging within this state in business as a harvester of timber; as to such persons the amount of tax imposed with respect to such business shall be equal to the stumpage value of timber harvested between July 1, 1983, through June 30, 1984, for sale or for commercial or industrial use multiplied by the ((appropriate)) rate ((as follows:

~~For timber harvested between October 1, 1974 and June 30, 1983, inclusive,))~~ of six and one-half percent.

(2) For purposes of this section:

(a) "Harvester" means every person who from his own land or from the land of another under a right or license granted by lease or contract, either directly or by contracting with others for the necessary labor or mechanical services fells, cuts or takes timber for sale or for commercial or industrial use. It does not include persons performing under contract the necessary labor or mechanical services for a harvester.

(b) "Timber" means forest trees, standing or down, on privately or publicly owned land, and except as provided in RCW 84.33.170 includes Christmas trees.

(c) "Stumpage value of timber" means the appropriate stumpage value shown on tables to be prepared by the department of revenue pursuant to subsection (3) of this section.

(d) Timber shall be considered harvested at the time when in the ordinary course of business the quantity thereof by species is first definitely determined. The amount harvested shall be determined by the Scribner Decimal C Scale or other prevalent measuring practice adjusted to arrive at substantially equivalent measurements, as approved by the department of revenue.

(3) The department of revenue shall designate areas containing timber having similar growing, harvesting and marketing conditions to be used as units for the preparation and application of stumpage values. Each year on or before December 31 for use the following January through June 30, and on or before June 30 for use the following July through December 31, the department shall prepare tables of stumpage values of each species or subclassification of timber within such units, which values shall be the amount that each such species or subclassification would sell for at a voluntary sale made in the ordinary course of business for purposes of immediate harvest. Such stumpage values, expressed in terms of a dollar amount per thousand board feet or other unit measure, shall be determined from (a) gross proceeds from sales on the stump of similar timber of like quality and character at similar locations, and in similar quantities, or from (b) gross proceeds from sales of logs adjusted to reflect only the portion of such proceeds attributable to value on the stump immediately prior to harvest, or from a combination of (a) and (b), and shall be determined in a manner which makes reasonable and adequate allowances for age, size, quality, costs of removal, accessibility to point of conversion, market conditions and all other relevant factors. Upon application from any person who plans to harvest damaged timber, the stumpage values for which have been materially reduced from the values shown in the applicable tables due to damage resulting from fire, blow down, ice storm, flood or other sudden unforeseen cause, the department shall revise such tables for any area in which such timber is located and shall specify any additional accounting or other requirements to be complied with in reporting and paying such tax. The preliminary area designations and stumpage value tables and any revisions thereof shall be subject to review by the ways and means committees of the house and senate prior to finalization. Tables of stumpage values shall be signed by the director or his designee and authenticated by the official seal of the department. A copy thereof shall be mailed to anyone who has submitted to the department a written request therefor.

(4) On or before the sixtieth day after the date of final adoption of any stumpage value tables, any harvester may appeal to the board of tax appeals for a revision of stumpage values for an area determined pursuant to subsection (3) of this section.

(5) There are hereby created in the state treasury a state timber tax account A and a state timber tax reserve account in the state general fund and any interest earned on the investment of cash balances shall be deposited in these accounts. The revenues from the tax imposed by subsection (1) of this section on timber harvested from privately owned land shall be deposited in state timber tax account A and state timber tax reserve account as follows:

YEAR OF COLLECTION	ACCOUNT A	RESERVE ACCOUNT
1973 and thereafter	100%	0%

The revenues from the tax imposed by subsection (1) of this section on timber harvested from publicly owned land shall be deposited in the state general fund.

(6) The tax imposed under this section shall be computed with respect to timber harvested each calendar quarter and shall be due and payable in quarterly installments and remittance therefor shall be made on or before the last day of the month next succeeding the end of the quarterly period in which the tax accrued. The taxpayer on or before such date shall make out a return, upon such forms and setting forth such information as the department of revenue may require, showing the amount of the tax for which he is liable for the preceding quarterly period, and shall sign and transmit the same to the department of revenue, together with a remittance for such amount.

(7) The taxes imposed by this section shall be in addition to any taxes imposed upon the same persons pursuant to one or more of sections RCW 82.04.230 to 82.04.290, inclusive, and RCW 82.04.440, and none of such sections shall be construed to modify or interact with this section in any way, except RCW 82.04.450 and 82.32.045 shall not apply to the taxes imposed by this section.

(8) Any harvester incurring less than ten dollars tax liability under this section in any calendar quarter shall be excused from the payment of such tax, but may be required by the department of revenue to file a return even though no tax may be due.

NEW SECTION. Sec. 60. There is added to chapter 43.06 RCW a new section to read as follows:

Beginning in January, 1984, and in January of every even-numbered year thereafter, the department of revenue shall submit to the legislature prior to the regular session a listing of the amount of reduction for the current and next biennium in the revenues of the state or the revenues of local government collected by the state as a result of tax exemptions. The listing shall include an estimate of the revenue lost from the tax exemption, the purpose of the tax exemption, the persons, organizations, or parts of the population which benefit from the tax exemption, and whether or not the

tax exemption conflicts with another state program. The listing shall include but not be limited to the following revenue sources:

- (1) Real and personal property tax exemptions under Title 84 RCW;
- (2) Business and occupation tax exemptions, deductions, and credits under chapter 82.04 RCW;
- (3) Retail sales and use tax exemptions under chapters 82.08, 82.12, and 82.14 RCW;
- (4) Public utility tax exemptions and deductions under chapter 82.16 RCW;
- (5) Conveyance tax exemptions under chapter 82.20 RCW;
- (6) Food fish and shellfish tax exemptions under chapter 82.27 RCW;
- (7) Leasehold excise tax exemptions under chapter 82.29A RCW;
- (8) Motor vehicle and special fuel tax exemptions and refunds under chapters 82.36 and 82.38 RCW;
- (9) Aircraft fuel tax exemptions under chapter 82.42 RCW;
- (10) Motor vehicle excise tax exclusions under chapter 82.44 RCW; and
- (11) Insurance premiums tax exemptions under chapter 48.14 RCW.

The department of revenue shall prepare the listing required by this section with the assistance of any other agencies or departments as may be required.

The department of revenue shall present the listing to the ways and means committees of each house in public hearings.

Beginning in January, 1984, and every four years thereafter the governor is requested to review the report from the department of revenue and may submit recommendations to the legislature with respect to the repeal or modification of any tax exemption. The ways and means committees of each house and the appropriate standing committee of each house shall hold public hearings and take appropriate action on the recommendations submitted by the governor.

As used in this section, "tax exemption" means an exemption, exclusion, or deduction from the base of a tax; a credit against a tax; a deferral of a tax; or a preferential tax rate.

Sec. 61. Section 3, chapter 130, Laws of 1975-'76 2nd ex. sess. as last amended by section 4 of this 1983 act and RCW 82.04.2901 are each amended to read as follows:

Until and including the thirtieth day of June, 1985, there is levied and shall be collected from every person, other than persons taxed under RCW 82.04.... (section 3, chapter 9, Laws of 1983), for the act or privilege of engaging in business activities, as a part of the tax imposed by the provisions of RCW 82.04.250, an additional tax equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under the provisions of RCW 82.04.250(~~PROVIDED, That as to such persons making sales at retail in border counties other than retail sales of telephone services, as defined in section 24 of this 1983 act, such additional tax shall be levied and collected~~

~~from such persons with respect to such sales in border counties in an amount equal to thirty-two percent multiplied by the tax payable under the provisions of RCW 82.04.250): PROVIDED ((FURTHER)), That the additional tax under this section shall be imposed only if all of the amendments contained in sections 1 through 3 of this 1983 act become law.~~

To facilitate collection of this additional tax, the department of revenue is authorized to adjust the basic rates of persons to which this section applies in such manner as to reflect the amount to the nearest one-thousandth of one percent of the additional tax hereby imposed, adjusting ten-thousandths equal to or greater than five ten-thousandths to the greater thousandth.

Sec. 62. Section 82.08.020, chapter 15, Laws of 1961 as last amended by section 41 of this 1983 act and RCW 82.08.020 are each amended to read as follows:

(1) There is levied and there shall be collected a tax on each retail sale in this state equal to six and five-tenths percent of the selling price(~~: PROVIDED, That for retail sales other than retail sales of telephone services, as defined in section 24 of this 1983 act, such tax shall be levied and collected in border counties in an amount equal to five and four-tenths percent of the selling price~~)).

(2) The tax imposed under this chapter shall apply to successive retail sales of the same property.

(3) The rate provided in this section applies to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

Sec. 63. Section 1, chapter 7, Laws of 1981 as last amended by section 27, chapter 35, Laws of 1982 1st ex. sess. and RCW 82.32.045 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, payments of the taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, and 82.16 RCW, along with reports and returns on forms prescribed by the department, are due monthly within ~~((the number of))~~ twenty-five days ~~((specified in the following table))~~ after the end of the month in which the taxable activities occur.

<del>((For activities occurring in</del>	<del>Days</del>
October, 1981 through March, 1982	25
April, 1982 through March, 1983	20
April, 1983 and thereafter	15))

(2) ~~((A monthly taxpayer may elect to remit an estimated amount of the tax due for each month on or before the due date set forth in subsection (1) of this section. The estimated amount of tax remitted shall be at least the greater of ninety percent of the tax actually due for the month or one-third of the tax due during the corresponding quarter of the previous year.~~



~~Each taxpayer filing an estimated return shall file a separate quarterly return on the last day of the month after the end of each calendar quarter. Each quarterly return shall be on forms prescribed by the department, include such information as the department may require to correctly determine tax liability during the quarter, and be accompanied by a remittance of the balance of the tax actually due for the quarter.~~

(3)) The department of revenue may relieve any taxpayer or class of taxpayers from the obligation of remitting monthly and may require the return to cover other longer reporting periods, but in no event may returns be filed for a period greater than one year. For these taxpayers, tax payments are due on or before the last day of the month next succeeding the end of the period covered by the return.

((4)) (3) The department of revenue may also require verified annual returns from any taxpayer, setting forth such additional information as it may deem necessary to correctly determine tax liability.

NEW SECTION. Sec. 64. There is appropriated from the general fund to the parks and recreation commission for the fiscal year ending June 30, 1984, the sum of seventy-nine thousand dollars, or so much thereof as may be necessary, for the operation of a boating safety and education program established under section 52 of this act.

NEW SECTION. Sec. 65. This act shall not be construed as affecting any existing right acquired or liability or obligation incurred under the sections amended or repealed in this act or under any rule, regulation, or order adopted under those sections, nor as affecting any proceeding instituted under those sections.

NEW SECTION. Sec. 66. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 67. (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 July 1, 1983, except that:

(a) Sections 42 through 50, and 52, 53, 65, and 66 of this act shall take effect June 30, 1983;

(b) Sections 1 through 4 of this act shall take effect July 1, 1983, except as provided in subsection (2) of this section;

(c) Sections 21, 22, and 51 of this act shall take effect January 1, 1984. Section 51 of this act shall be effective for property taxes levied in 1983 and due in 1984, and thereafter; and

(d) Section 63 of this act shall take effect April 1, 1985, and shall be effective in respect to taxable activities occurring on and after April 1, 1985; and

(e) The extension under this act of the retail sales tax to certain sales of telephone service shall apply to telephone service billed on or after July 1, 1983, whether or not such service was rendered before that date.

(f) Sections 61 and 62 of this act shall take effect on the day either of the following events occurs, whichever is earlier:

(i) A temporary or permanent injunction or order becomes effective which prohibits in whole or in part the collection of taxes at the rates specified in section 6, chapter 7, Laws of 1983; or

(ii) A decision of a court in this state invalidating in whole or in part section 6, chapter 7, Laws of 1983, becomes final.

(2) The legislature finds that the amendments contained in sections 1 through 4 of this act constitute an integrated and inseparable entity and if any one or more of those sections does not become law, the remaining sections shall not take effect. If sections 1 through 4 of this act do not become law, the governor shall in that event reduce approved allotments under RCW 43.88.110 for the 1983-85 biennium by four percent.

Passed the Senate May 25, 1983.

Passed the House May 25, 1983.

Approved by the Governor June 15, 1983, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State June 15, 1983.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to subsections 44(7), 49(3), and 53(1) of Senate Bill 3909 entitled:

"AN ACT Relating to revenue and taxation."

Subsection 44(7) amends the existing law that defines certain exemptions to the boat tax. Existing law appropriately exempts all vessels under 16 feet in length. This subsection would exempt only those boats under 16 feet in length that have no motors, but tax those boats within that length limitation that have motors. In order to provide for equity and ease of administration, I have vetoed subsection 44(7). The result of my action is a simple exemption for all boats under 16 feet in length.

Subsection 49(3) provides that any local option boat tax shall be payable to the Department of Licensing. A program of state collection and distribution of a non-uniform local option tax is fraught with administrative problems for both state and local governments. I have vetoed this subsection so that the collection of any local option boat tax becomes the responsibility of local government.

Subsection 53(1) requires that one-half of any boat tax paid under existing law (SB 3258; now Chapter 7, Laws of 1983) be applied as a credit against the taxes now due under this measure. The existing law, by its own terms, will not become effective until June 30, 1983. This measure negates the tax specified by that law. Because some boat owners have already tendered payment for that tax, which will not now come into effect, they should receive a refund of their entire payment, rather than just a credit for one-half of that payment. The Departments of Revenue and Licensing can make the necessary refunds pursuant to RCW 43.01.072.

With the exceptions noted above, Senate Bill 3909 is approved."