

RCW 47.56.878 State route number 167 and Interstate 405 corridor project—Construction—Application for deferral of state and local sales and use taxes—Department of revenue to issue certificate—Payments—Interest and penalties—Subject to disclosure.

(1) (a) A person involved in the construction of any state route number 167 and Interstate 405 corridor project may apply to the department of revenue for deferral of state and local sales and use taxes owed by that person with respect to the site preparation for, the construction of, the acquisition of any related machinery and equipment that will become a part of, and the rental of equipment for use in, the projects. The deferral is for purchases made and labor or services rendered on or after July 1, 2022.

(b) Deferral applicants must submit their applications for deferral in a form and manner prescribed by the department of revenue. The application must contain information regarding estimated or actual costs, time schedules for completion and operation, and other information required by the department of revenue. The department of revenue shall approve the application within 60 days if it meets the requirements of this section.

(2) The department of revenue shall issue a sales and use tax deferral certificate to qualifying applicants for state and local sales and use taxes imposed or authorized under chapters 82.08, 82.12, and 82.14 RCW and RCW 81.104.170 on the project.

(3) A person granted a tax deferral under this section shall begin paying the deferred taxes in the tenth year after the date the department notifies the department of revenue in writing that all projects qualifying for a deferral under this section are operationally complete. The first payment is due on December 31st of the tenth calendar year after the notification date, with subsequent annual payments due on December 31st of the following nine years. Each payment must equal 10 percent of the deferred tax.

(4) The department of revenue may authorize an accelerated repayment schedule upon request of a person granted a deferral under this section.

(5) Interest and penalties must not be charged on any taxes deferred under this section for the period of deferral, although all other penalties and interest applicable to delinquent excise taxes may be assessed and imposed for delinquent payments under this section. The debt for deferred taxes is not extinguished by insolvency or other failure of any private entity granted a deferral under this section.

(6) Applications and any other information received by the department of revenue under this section are not confidential and are subject to disclosure. Chapter 82.32 RCW applies to the administration of this section.

(7) For purposes of this section, the following definitions apply:

(a) "Person" has the same meaning as in RCW 82.04.030 and also includes the department.

(b) "Qualifying applicant" means a person whose deferral application under this section was approved by the department of revenue.

(c) "State route number 167 and Interstate 405 corridor project" means any of the following projects:

(i) Interstate 405 and state route number 522 vicinity to state route number 527 express toll lanes improvement project (design completion and construction);

(ii) Interstate 405 Renton to Bellevue widening and express toll lanes project (construction of phase 3);

(iii) Northbound and southbound state route number 167 stage 6 extension project (design and construction);

(iv) Interstate 405 and North 8th Street direct access ramp project (design and construction); and

(v) Northeast 85th Street toll equipment through the Interstate 405 and Northeast 85th Street interchange and inline bus rapid transit station project (toll infrastructure construction). [2022 c 274 s 1.]

Automatic expiration date and tax preference performance

statement exemption—2022 c 274: "The provisions of RCW 82.32.805 and 82.32.808 do not apply to this act." [2022 c 274 s 2.]

Effective date—2022 c 274: "This act takes effect July 1, 2022." [2022 c 274 s 3.]