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HOUSE BILL 2323

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State of Washington

58th Legislature

2004 Regular Session

By Representatives Shabro, McDonald, Roach, Bush, Sullivan, Simpson, G., Moeller and Darneille

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1 AN ACT Relating to sales and use tax exemptions for low-income  
2 persons; adding a new section to chapter 82.08 RCW; and providing an  
3 effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW  
6 to read as follows:

7 (1) An eligible person is entitled to an annual sales and use tax  
8 exemption of four hundred fifty dollars per year. This exemption is  
9 available only through the use of a sales tax exemption card provided  
10 under this section. A sales tax exemption card issued under this  
11 section may be used only for exemption of taxes imposed under RCW  
12 82.08.020, and chapters 82.12 and 82.14 RCW. An unused portion of an  
13 annual exemption amount expires at the end of the year for which it is  
14 provided, and may not be refunded or carried forward to subsequent  
15 years.

16 (2) The department of revenue shall establish a sales tax exemption  
17 card program for the purposes of this section, using debit cards,  
18 stored-value cards, or similar electronic media. Only cards,  
19 electronic media, and procedures approved by the department may be used

1 for exemption of sales and use taxes under this section. The  
2 department shall prescribe forms and procedures for issuance and  
3 administration of exemption cards. The department may contract with  
4 vendors for issuance and administration of the cards. The department  
5 may charge a fee, or authorize a fee to be charged, from each eligible  
6 person for the cost of issuing a card, not to exceed ten dollars per  
7 year per card. The department shall reconcile the fiscal impact of  
8 exemptions under this section among state accounts and local  
9 governments in an appropriate manner.

10 (3) As used in this section, "eligible person" means a resident of  
11 this state who has a combined disposable income, as defined in RCW  
12 84.36.383, that is less than one hundred fifty percent of the federal  
13 poverty level as adjusted for household size and determined annually by  
14 the federal department of health and human services.

15 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2004.

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