

TAXPAYER PROTECTION ACT

COMPLETE TEXT

AN ACT Relating to taxes and fees imposed by state government; amending RCW 82.08.020; creating new sections; and providing a contingent expiration date.

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

INTENT

NEW SECTION. **Sec. 1.** Over the past twenty years, the voters of Washington have, five times, overwhelmingly passed initiatives requiring two-thirds legislative approval or voter approval to raise taxes and legislative approval for fee increases. Despite this clear message from the people, the legislature continues to block the people from voting on a constitutional amendment providing these necessary protections. If the legislature continues to prevent the people from voting, then the people deserve relief from one the highest, most regressive sales tax rates in the nation.

This measure would reduce the sales tax unless the legislature refers to the ballot a vote on a constitutional amendment requiring two-thirds legislative approval or voter approval to raise taxes and legislative approval for fee increases.

REDUCE THE SALES TAX UNLESS...

Sec. 2. RCW 82.08.020 (Tax imposed--Retail sales--Retail car rental) and 2011 c 171 s 120 are each amended to read as follows:

(1) There is levied and collected a tax equal to (~~six~~) five and five-tenths percent of the selling price on each retail sale in this state of:

(a) Tangible personal property, unless the sale is specifically excluded from the RCW 82.04.050 definition of retail sale;

(b) Digital goods, digital codes, and digital automated services, if the sale is included within the RCW 82.04.050 definition of retail sale;

(c) Services, other than digital automated services, included within the RCW 82.04.050 definition of retail sale;

(d) Extended warranties to consumers; and

(e) Anything else, the sale of which is included within the RCW 82.04.050 definition of retail sale.

(2) There is levied and collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(3) Beginning July 1, 2003, there is levied and collected an additional tax of three-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(4) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, off-road vehicles as defined in RCW 46.04.365, nonhighway vehicles as defined in RCW 46.09.310, and snowmobiles as defined in RCW 46.04.546.

(5) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section must be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection must be deposited in the performance audits of government account created in RCW 43.09.475.

(6) The taxes imposed under this chapter apply to successive retail sales of the same property.

(7) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

**...UNLESS THE LEGISLATURE REFERS TO THE BALLOT A CONSTITUTIONAL AMENDMENT
REQUIRING TWO-THIRDS LEGISLATIVE APPROVAL OR VOTER APPROVAL TO RAISE TAXES
AND LEGISLATIVE APPROVAL FOR FEE INCREASES**

NEW SECTION. **Sec. 3.** (1) Sections 2 and 3 of this act take effect July 1, 2015, unless the contingency in subsection (2) of this section occurs.

(2) If the legislature, prior to July 1, 2015, refers to the ballot a vote on a constitutional amendment requiring two-thirds legislative approval or voter approval to raise taxes as defined by voter-approved Initiatives 960, 1053, and 1185 and legislative approval for fee increases, sections 2 and 3 of this act expire on June 30, 2015.

(a) "Legislative approval for fee increases" means a fee may only be imposed or increased in any fiscal year if approved with a majority vote in both the house of representatives and the senate. Only the legislature may set a fee increase's amount and must list it in a bill so it can be subject to the ten-year cost projection and other accountability procedures required by RCW 43.135.031.

CONSTRUCTION CLAUSE

NEW SECTION. **Sec. 4.** The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

SEVERABILITY CLAUSE

NEW SECTION. **Sec. 5.** 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.

TITLE OF THE ACT

NEW SECTION. **Sec. 6.** This act is known and may be cited as the "Taxpayer Protection Act."

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