RCW 82.04.43397 Deductions—Processors of electronic transactions. *(Effective January 1, 2026.)* (1) In computing the tax under RCW 82.04.290(4), a processor may deduct from the measure of the tax amounts retained by persons other than the processor in the following forms:

(a) Interchange fees;

(b) Network fees; and

(c) Portions of fees retained by other processors.

(2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Acquirer" means a person that contracts directly or indirectly with a merchant to provide settlement for the merchant's electronic transactions over a payment card network. "Acquirer" does not include a person that acts only as a processor for the services it provides to the merchant.

(b) "Interchange fee" means an amount received by an issuer with respect to the interchange of a transaction conducted by a merchant.

(c) "Issuer" means any person that authorizes the use of a card to perform an electronic transaction.

(d) "Network fees" means fees received by payment networks associated with the processing of a transaction or with the acceptance of the payment network's brand.

(e) "Payment network" means an entity that directly or indirectly provides the proprietary services, infrastructure, and software that route information and data to an issuer from an acquirer to conduct the authorization, clearance, and settlement of electronic transactions; and a merchant uses in order to accept as a form of payment a brand of card or other device that may be used to carry out electronic transactions.

(f) "Processor" means a person, including an acquirer or issuer, that processes or routes electronic transactions for issuers, acquirers, or merchants. [2025 c 401 s 2.]

Intent—2025 c 401: "The unique nature of payment system arrangements distinguishes payment card processors from other taxpayers. Due to the unique nature of processors' activities related to interchange fees and network fees, the legislature intends to address the business and occupation taxation of processors' activities on a prospective basis through the deduction and rate authorized in this act. The legislature does not intend for inferences as to the taxability of prior periods to be drawn from the passage of this act." [2025 c 401 s 1.]

Tax preference performance statement exemption—Automatic expiration date exemption: "RCW 82.32.805 and 82.32.808 do not apply to this act." [2025 c 401 s 6.]

Effective date—2025 c 401: "This act takes effect January 1, 2026." [2025 c 401 s 7.]