

**RCW 82.14.532 Sales and use tax remittance—Qualifying projects—**

**Requirements—Department to determine eligibility.** (1) Subject to the requirements of chapter 35.107 RCW and RCW 81.104.170, a project is eligible for a sales and use tax remittance under the authority of this chapter on:

(a) The sale of or charge made for labor and services rendered in respect to construction or rehabilitation of a qualifying project located in a city; and

(b) The sales or use of tangible personal property that will be incorporated as an ingredient or component of a qualifying project located in a city during the course of the constructing or rehabilitating.

(2) (a) A qualifying project owner claiming a remittance under this section must pay all applicable state and local sales and use taxes imposed or authorized under RCW 82.08.020, 82.12.020, and this chapter on all purchases and uses qualifying for the remittance.

(b) The amount of the remittance is one hundred percent of the local sales and use taxes paid on purchases and uses qualifying under subsection (1) of this section, with respect to taxes imposed by the city and any other taxing authorities that have authorized the use of the remittance as provided under RCW 35.107.040. A city authorizing a remittance under this subsection must notify the department of an approved qualifying project within 60 days of the city's approval of the project. Such notice must include the information required under RCW 35.107.040(2) (a) through (c).

(3) After the qualifying project has been operationally complete for eighteen months, but not more than thirty-six months, and after all state and local sales and use taxes for purchases and uses qualifying under subsection (1) of this section have been paid, a qualifying project owner who submits an application for a building permit for that qualifying project prior to July 1, 2027, may apply to the department for a remittance of local sales and use taxes.

(4) A qualifying project owner requesting a remittance under this section must obtain certification from the governing authority of a city verifying that the qualifying project has satisfied the criteria in RCW 35.107.050.

(5) A qualifying project owner must specify the amount of exempted tax claimed and the qualifying purchases or uses for which the exemption is claimed. The qualifying project owner must retain, in adequate detail, records to enable the department to determine whether the qualifying project owner is entitled to an exemption under this section, including invoices, proof of tax paid, and construction contracts.

(6) The department must determine eligibility under this section based on information provided by the qualifying project owner, which is subject to audit verification by the department.

(7) (a) A person otherwise eligible for a remittance under this section that transfers the ownership of the qualifying project before the requirements in subsection (3) of this section are met may assign the right to the remittance under this section to the subsequent owner of the qualifying project.

(b) Persons applying for the remittance as an assignee must provide the department the following documentation in a form and manner as provided by the department:

(i) The agreement that transfers the right to the remittance to the assignee;

- (ii) Proof of payment of sales and use tax on the qualifying project; and
  - (iii) Any other documentation the department requires.
- (8) The definitions in RCW 35.107.020 apply to this section.  
[2021 c 145 s 16; 2019 c 273 s 11.]