

SUMMARY OF 2024 LEGISLATION

Washington Department of Revenue Legislation & Policy and Research & Fiscal Analysis Divisions

April 2024

This report summarizes legislation passed by the Legislature and signed by the governor as part of the 2024 regular session of the Washington State Legislature that significantly impacts the taxes and other programs the Department of Revenue administers. The summaries below are based on information developed by the department’s Legislation & Policy and Research & Fiscal Analysis divisions and are not intended to cover all technical details or provide a legal interpretation of the bills. Instead, this report is intended to alert readers to new legislation and serve as a resource for historical research. The fiscal impacts of legislation in this summary can be found in “*State Revenue Impact of Major 2024 Tax Legislation*,” beginning on page 5

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STATE REVENUE IMPACT OF MAJOR 2024 TAX LEGISLATION – Sources impacting Department of Revenue only
State General Fund

Bill #	Type	Bill Description							
House bills									
1185	E2SHB	Lighting products	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1757	2E HB	Farmers/sales tax remittance	\$0	(\$163,000)	(\$163,000)	(\$33,000)	(\$33,000)	(\$66,000)	
1818	SHB	Forestland/compensating tax	\$0	\$0	\$0	\$0	\$0	\$0	
1862	E SHB	Disabled veteran assist./tax	\$0	(\$18,000)	(\$18,000)	(\$28,000)	(\$29,000)	(\$57,000)	
1867	HB	Estate tax filing/residences	\$0	\$0	\$0	\$0	\$0	\$0	
1895	HB	Working families' tax credit	\$0	\$0	\$0	\$0	\$0	\$0	
1976	HB	Incentives/energy upgrades	\$0	(\$13,870,000)	(\$13,870,000)	(\$21,790,000)	(\$11,670,000)	(\$33,460,000)	
2003	E SHB	Housing/public lands leases	\$0	\$0	\$0	\$0	\$0	\$0	
2012	SHB	Rental housing/nonprofits	\$0	\$0	\$0	\$0	\$0	\$0	
2014	2SHB	Definition of veteran	\$0	\$0	\$0	\$0	\$0	\$0	
2044	HB	Voter-approved property tax	\$0	\$0	\$0	\$0	\$0	\$0	
2134	E SSB	Transportation budget, supp.	\$0	(\$2,258,000)	(\$2,258,000)	\$0	\$0	\$0	
2137	HB	Tourism promotion exemptions	\$0	\$0	\$0	\$0	\$0	\$0	
2153	E SHB	Catalytic converter theft	\$0	\$0	\$0	\$0	\$0	\$0	
2199	E HB	CCA tax exemptions	\$0	(\$900,000)	(\$900,000)	(\$2,000,000)	(\$3,000,000)	(\$5,000,000)	
2306	E SHB	Main street tax credits	\$0	(\$630,000)	(\$630,000)	(\$630,000)	(\$430,000)	(\$1,060,000)	
2348	SHB	County hospital funding	\$0	\$0	\$0	\$0	\$0	\$0	
2354	E2SHB	Tax increment areas	\$0	\$0	\$0	\$0	\$0	\$0	
2375	HB	Senior property tax ex./ADUs	\$0	\$0	\$0	\$0	\$0	\$0	
2428	SHB	Sales and use tax sharing	\$0	\$0	\$0	\$0	\$0	\$0	
2482	E SHB	Semiconductor tax incentives	\$0	\$0	\$0	\$0	\$0	\$0	
Senate bills									
5857*	SSB	Campaign disclosure reorg.							
5897	SB	Business licensing service	\$0	\$0	\$0	\$0	\$0	\$0	
5950*	ESSB	Operating budget, supplemental							
6013	SB	Homeownership dev. tax ex.	\$0	\$0	\$0	\$0	\$0	\$0	
6038	E SSB	Child care tax preference	\$0	(\$360,000)	(\$360,000)	(\$560,000)	(\$580,000)	(\$1,140,000)	
6080*	SB	Statewide tourism marketing account							
6105	E SSB	Adult entertainment workers	\$0	\$0	\$0	\$0	\$0	\$0	
6175	E2SSB	Existing structures/tax	\$0	\$0	\$0	(\$839,000)	(\$1,308,000)	(\$2,147,000)	
6215	SB	Tax and revenue laws	\$0	\$0	\$0	\$0	\$0	\$0	
6238	SB	Property tax/veteran widows	\$0	\$0	\$0	\$0	\$0	\$0	
6316	SSB	SR 520 corridor	(\$2,160,000)	(\$12,970,000)	(\$15,130,000)	(\$11,180,000)	(\$11,180,000)	(\$22,360,000)	
NET GENERAL FUND IMPACT			(2,160,000)	(31,169,000)	(33,329,000)	(37,060,000)	(28,230,000)	(65,290,000)	

State Funds other than General or BLS Funds

Bill #	Type	Bill Description	Fund/Account						
2199	E HB	CCA tax exemptions	Workforce Education Investment Account	\$0	(\$200,000)	(\$200,000)	(\$300,000)	(\$500,000)	(\$800,000)
2454	HB	Ag. crop products/tax ex.	Model Toxics Control Capital Account	\$0	\$0	\$0	(\$58,000)	(\$140,000)	(\$198,000)
6175	E2SSB	Existing structures/tax	Performance Audits of Government Account	\$0	\$0	\$0	(\$1,000)	(\$2,000)	(\$3,000)
6316	SSB	SR 520 corridor	Performance Audits of Government Account	(\$3,000)	(\$20,000)	(\$23,000)	(\$20,000)	(\$20,000)	(\$40,000)
STATE FUNDS OTHER THAN GENERAL OR BLS TOTAL				(\$3,000)	(\$220,000)	(\$223,000)	(\$379,000)	(\$662,000)	(\$1,041,000)

*The department did not receive a fiscal note request for the bill.

HOUSE BILLS

[E2SHB 1185](#) Reducing environmental impacts associated with lighting products. ([Chapter 339, Laws of 2024](#))

As it relates to the Department of Revenue, this bill:

- Extends the B&O tax exemption for environmental handling charges added to the purchase price of mercury-containing lights by producers and retailers through December 31, 2028.
- Eliminates the environmental handling charges on the purchase price of these lights after December 31, 2028.
- Extends the B&O tax exemption for amounts charged by stewardship organizations to producers and retailers.
- Expands the B&O tax exemption for amounts charged by the stewardship organization to producers and retailers to include participating producers or legacy producers.
- Repeals the B&O tax exemptions for stewardship organizations on January 1, 2035.

E2SHB 1185 takes effect June 6, 2024.

[2EHB 1757](#) Providing a sales and use tax remittance to qualified farmers. ([Chapter 222, Laws of 2024](#))

This bill provides a sales and use tax exemption for any goods and services an eligible farmer purchases beginning July 1, 2024.

- The exemption is in the form of a refund of taxes paid.
- The maximum exemption per eligible farmer is \$10,000.
- Claims must be made to the Department of Revenue before January 1, 2030.

For this bill, “eligible farmer” means a farmer performing custom farming services or farm management services, as those terms are defined in RCW 82.04.758.

2EHB 1757 takes effect July 1, 2024.

[SHB 1818](#) Concerning the exclusion of compensating tax when land is sold to a governmental entity intending to manage the land similarly to designated forestland or timberland. ([Chapter 109, Laws of 2024](#))

This bill creates:

- An exception to the compensating tax when designated forestland is sold or transferred,
- An exemption to the additional tax when property classified as open space timberland is sold or transferred.

No compensating tax is due on the sale or transfer of designated forest land, and no additional tax is due on the sale or transfer of timberland if:

- The sale or transfer is to a governmental entity, and the governmental entity manages the land in the same manner as designated forestland under chapter 84.33 RCW or property classified as timberland under chapter 84.34 RCW; and
- The government entity provides the county assessor with a timber management plan or a notice of intent to manage the land as required under the new exception.

If the land is not managed as required or if the governmental entity sells or transfers the land at any time, the compensating tax in the case of designated forestland or additional tax in the case of timberland is due from the current government owner, unless the change in use of the land, sale or transfer, meets other exceptions in law.

SHB 1818 takes effect June 6, 2024.

[ESHB 1862](#) Providing tax exemptions for the assistance of disabled veterans and members of the armed forces of the United States of America. ([Chapter 141, Laws of 2024](#))

This bill provides a B&O tax exemption for amounts received from sales on a military reservation by a nonprofit that operates an adaptive recreation and rehabilitation facility that services disabled veterans and members of the armed forces.

This bill also provides a retail sales and use tax exemption for sales on a military reservation by a nonprofit that operates an adaptive recreational rehabilitation facility dedicated to the assistance of disabled veterans and members of the armed forces.

ESHB 1862 takes effect October 1, 2024.

[HB 1867](#) Eliminating the estate tax filing requirement for certain estates involving a qualifying familial residence. ([Chapter 82, Laws of 2024](#))

This bill provides an exemption from the Washington estate tax return filing requirement if all the following are met:

- The estate is not otherwise required to file an estate tax return to claim a specific election.

- A spouse survived the decedent, and the decedent’s qualifying family residence included in the decedent’s gross estate passed from the decedent to the spouse, consistent with section 2056 of the Internal Revenue Code.
- The value of the decedent's gross estate is less than the value of the decedent's interest in a qualifying family residence, which is included in the value of the decedent's gross estate and is less than the applicable exclusion amount.

This bill also provides definitions for qualifying family residence, relative, and residence.

HB 1867 takes effect June 6, 2024, and applies to decedents dying on or after January 1, 2025.

HB 1895 **Modifying the working families' tax credit by clarifying the refundable nature of the credit, the application requirements, and the eligibility verification process. (Chapter 3, Laws of 2024)**

This bill is Department of Revenue agency request legislation. It clarifies provisions of the Working Families Tax Credit statute and provides explicit statutory authority for the department to administer essential requirements of the WFTC program. Specifically, this proposal:

- Clarifies that the WFTC is a refundable credit.
- Clarifies that an applicant must have paid retail sales or use tax to receive the credit.
- Allows the department to use the individual's information to calculate the credit refund amount.
- Clarifies income rounding for credit application purposes.
- Clarifies the record retention requirements for individuals claiming the WFTC.
- Authorizes the department to use automated verification tools and other reasonable means to verify that an individual qualifies as a Washington resident.
- Clarifies the types of resources the department may use to verify that an individual meets eligibility for the WFTC program.
- Authorizes the department to accept a signed attestation from an individual to validate eligibility requirements for the WFTC program and provides that the attestation is subject to audit verification.

HB 1895 applies prospectively and retroactively to January 1, 2023, which is the first year the department began accepting applications for the WFTC program.

HB 1976 **Changing the incentive structure for tier 1 and tier 2 buildings. (Chapter 85, Laws of 2024)**

This bill increases the amount of incentive payments the Department of Commerce is authorized to grant to certain building owners that demonstrate compliance with

benchmarking, energy management, and operations and maintenance planning requirements under the early adopter incentive program of the State Energy Performance Standard. The incentive payments are calculated on a per-square-foot basis.

As it relates to the Department of Revenue, this bill does not change the department's administration of the public utility tax credit available to light and power businesses that service eligible buildings and make the incentive payments. However, it is likely that the PUT credit amounts taken by the light and power businesses will increase as the grant amounts paid by them increase.

HB 1976 takes effect June 6, 2024.

ESHB 2003 Concerning an exemption to the leasehold excise tax for leases on public lands. (Chapter 59, Laws of 2024)

This bill creates a leasehold excise tax exemption for all leasehold interests in public lands when used for the placement of affordable housing.

This bill requires:

- DNR and the lessee prioritize housing for low-income households.
- 100% of units be rented or sold as permanently affordable for low- and moderate-income households.
- A minimum 20-year lease term.

The length of exemption is for the duration of the lease.

ESHB 2003 takes effect June 6, 2024.

SHB 2012 Concerning eligibility for a property tax exemption for nonprofits providing affordable rental housing built with city and county funds. (Chapter 113, Laws of 2024)

This bill expands the property tax exemption for nonprofits that provide affordable rental housing or mobile home lots to qualifying households by including the following two additional funding sources:

- City or county funds designated for affordable housing.
- A voter-approved levy lid lift for the specific purpose.

SHB 2012 takes effect June 6, 2024, and applies to taxes levied for collection in 2025 and after.

HB 2044 **Standardizing limitations on voter-approved property tax levies. (Chapter 114, Laws of 2024)**

This bill eliminates a property tax lid lift requirement on taxing districts in counties with a population of 1.5 million or more that says revenues from a property tax levy lid lift cannot replace existing funds used for the same purpose as the lid lift's specific purpose.

This bill also removes outdated provisions related to replacing revenues with revenues from lid lifts made by counties with populations less than 1.5 million.

HB 2044 takes effect June 6, 2024.

ESHB 2134 **Making supplemental transportation appropriations for the 2023-2025 fiscal biennium. (Chapter 310, Laws of 2024)**

This is the supplemental transportation budget bill which, as it pertains to the Department of Revenue, makes changes to the commute trip reduction credit by:

- Extending the time employers can earn the credit against either their business & occupation (B&O) tax or public utility tax (PUT) for incentives from January 1, 2024, to January 1, 2025.
- Extending the expiration date for claiming the credit from July 1, 2024, to July 1, 2025.

This bill does not extend the time that property managers can earn or claim the credits. They ceased being able to earn credits on January 1, 2024, and must claim any credits by June 30, 2024. This section of the law expires on July 1, 2024.

ESHB 2134 has an emergency clause and is effective immediately upon the governor's signature, March 28, 2024.

While there appears to be an almost three-month gap between the time an employer can earn credit – current law expired January 1, 2024, and the effective date of this bill, the department has consulted our lawyers and believe the intent of the bill is to extend the time employers can earn credit beginning January 1, 2024, until January 1, 2025. The department will administer the credit to be consistent with the Legislature's intent.

HB 2137 **Concerning technical changes to allowable exemptions for tourism promotion area assessments. (Chapter 68, Laws of 2024)**

This bill allows cities and counties that impose the Tourism Promotion Area (TPA) charge to exempt any lodging business, unit, or guest from the TPA charge.

HB 2137 is retroactive and applies to any TPA established before, on, or after the bill's effective date, which is June 6, 2024.

ESHB 2153 **Deterring the theft of catalytic converters. ([Chapter 301, Laws of 2024](#))**

As it relates to the Department of Revenue, this bill adds a \$500 catalytic converter inspection fee to the motor vehicle scrap processors and vehicle wreckers licenses. This fee is to support Washington State Patrol inspections of all licensed purchases of catalytic converters.

The department will administer this fee through its business licensing service program.

ESHB 2153 takes effect April 1, 2025.

EHB 2199 **Creating business and occupation and public utility tax exemptions for certain amounts received as the result of receipt, generation, purchase, sale, transfer, or retirement of allowances, offset credits, or price ceiling units under the climate commitment act. ([Chapter 115, Laws of 2024](#))**

This bill creates a business and occupation tax and public utility tax exemption for transactions involving Climate Commitment Act credits, allowances, or price ceiling units.

This exemption only applies retroactively and prospectively for covered entities, opt-in entities, or entities that receive no-cost allowances. General market participants, such as brokers, are still subject to the B&O tax.

EHB 2199 contains an emergency clause and takes effect April 1, 2024.

ESHB 2306 **Allowing main street programs to use remaining main street tax credits after a certain date. ([Chapter 93, Laws of 2024](#))**

This bill allows Main Street Programs to access unused statewide contributions on October 1 each year. A program may receive contributions not to exceed \$250,000 per year.

ESHB 2306 takes effect June 6, 2024.

SHB 2348 **Concerning county hospital funding. ([Chapter 361, Laws of 2024](#))**

This bill changes the county hospital levy to a stand-alone levy outside (or in addition to) the county's general levy of \$1.80 per \$1,000 of assessed value. The maximum county hospital levy rate is \$0.20 per \$1,000 of assessed value, and the levy:

- Is excluded from the \$5.90 aggregate rate limit on regular property tax levies.
- Remains subject to the 1% levy growth limit after the first year the levy is imposed.
- Remains subject to the constitutional 1% (\$10 per \$1,000 of market value) aggregate rate limit.

This bill also:

- Restricts the county hospital levy authority to only counties with a population of 2 million or more.
- Expands how the revenue from the levy can be used. It can be used:
 - For operations, maintenance, capital expenses of the hospital, and any outpatient clinics operated by the hospital.
 - To pay principal and interest on bonds issued for such purposes.

SHB 2348 takes effect June 6, 2024.

[E2SHB 2354](#) Revised for 2nd Substitute: Creating an option for impacted taxing districts to provide a portion of their new revenue to support any tax increment area proposed within their jurisdiction and clarifying that a tax increment area must be dissolved when all bond obligations are paid. ([Chapter 236, Laws of 2024](#))

This bill makes various administrative revisions to the “local tax increment financing” (LTIF) area program to fund certain public improvements. These revisions are primarily to mitigate the impact on EMS, public hospital services, and any other junior taxing districts impacted by the LTIF. This bill:

- Requires a local government LTIF project analysis to consider impacts on EMS, public hospital services, and any other junior taxing districts, in addition to impacts on local fire services.
- Requires a local government with an LTIF project to provide a mitigation plan for impacted hospital districts, like existing mitigation requirements for fire districts and regional fire protection service authorities (RFAs)
- Provides an arbitration process if mitigation fails between the local government with an LTIF and an impacted hospital district, fire district, or RFA.
- Requires local governments establishing an LTIF project to submit its project analysis to the State Treasurer and any taxing districts located in the increment area 90 days before adopting an LTIF ordinance.

E2SHB 2354 takes effect June 6, 2024.

HB 2375 Including an accessory dwelling unit under property that qualifies for the senior citizens property tax exemption. ([Chapter 119, Laws of 2024](#))

This bill amends the definition of “residence” to allow one accessory dwelling unit in addition to a participant’s qualifying primary residence for selected property tax relief programs, such as the:

- Senior citizens and people with disabilities property tax exemption program.
- Senior citizens and people with disabilities property tax deferral program.
- Widows and widowers of veterans property tax grant program.
- Limited income property tax deferral program.

HB 2375 takes effect June 6, 2024, and applies to taxes levied for collection in 2025 and after.

SHB 2428 Allowing cities to voluntarily share certain sales and use tax revenue. ([Chapter 95, Laws of 2024](#))

This bill clarifies that cities and towns may enter into interlocal agreements with each other to share a portion of general-purpose local sales and use tax revenue. It also describes what must be included in the agreement.

SHB 2428 takes effect June 6, 2024.

HB 2454 Extending an existing hazardous substance tax exemption for certain agricultural crop protection products that are temporarily warehoused but not otherwise used, manufactured, packaged, or sold in the state of Washington. ([Chapter 241, Laws of 2024](#))

This bill extends the existing hazardous substance tax exemption for pesticide products solely used by farmers or certified applicators as an agricultural crop protection product that are warehoused in or transported to or from Washington. Rather than expiring on January 1, 2026, it will expire on January 1, 2028.

The exemption only applies if the possessor of the pesticide products does not otherwise use, manufacture, package for sale, or sell the products in Washington.

HB 2454 takes effect June 6, 2024.

ESHB 2482 Reinstating semiconductor tax incentives. ([Chapter 261, Laws of 2024](#))

This bill extends the expiration for existing preferential business and occupation (B&O) tax rates and a sales and use tax exemption for gases and chemicals for semiconductor manufacturers to January 1, 2034.

This bill also reinstates six expired B&O tax, sales and use tax, and property tax incentives for semiconductor manufacturers, contingent on constructing a new semiconductor manufacturing facility by January 1, 2034, with new investments of at least \$500 million.

ESHB 2482 contains an emergency clause and takes effect March 26, 2024.

SENATE BILLS

[SSB 5787](#)

Enacting the uniform electronic estate planning documents act. ([Chapter 188, Laws of 2024](#))

This bill allows non-testamentary estate planning documents, as defined in the bill, to be signed electronically and maintained as electronic records.

SSB 5787 takes effect June 6, 2024.

[SB 5897](#)

Modifying provisions of the business licensing service program. ([Chapter 270, Laws of 2024](#))

This bill makes three changes to the business licensing service (BLS) program:

- Broadens the BLS handling fee exemption for applications to obtain a nonresident endorsement to allow the exemption for any local government endorsement applications, rather than just city endorsement applications.
- Changes the BLS account balance threshold to an amount equal to a three-month average of expenditures from the account.
- Reduces the days required for local governments to notify BLS of changes impacting the cost of new licenses or renewal fees from 75 to 10 days.

SB 5897 takes effect June 6, 2024.

[ESSB 5950](#)

Making 2023-2025 fiscal biennium supplemental operating appropriations. ([Chapter 376, Laws of 2024](#))

This bill makes changes to the 2023-25 fiscal biennial operating budget. Amounts are appropriated for the department to:

- Implement 2024 revenue legislation, including agency request legislation [SB 5897, Modifying provisions of the business licensing service program](#).
- Conduct outreach activities for the Working Families Tax Credit.

This bill also requires the department to:

- Study and provide a report on how to collect race and ethnicity information from organizations or entities that receive tax preferences. The report is due to the appropriate committees of the Legislature by June 30, 2025.
- Study and provide a report on royalty receipts apportionment for local business taxes throughout the state. The report is due to the governor and the appropriate policy and fiscal committees of the Legislature by December 31, 2024.

- Cooperate with the Underground Economy Task Force on Washington state construction industry by maintaining a liaison representative and providing information and data to the task force or other entities as appropriate.
- Work with the Office of Financial Management to study and provide a report on the costs to the state related to nonprofit healthcare providers, facilities, and insurers. OFM must submit the report to the governor and the relevant policy and fiscal committees of the Legislature by October 1, 2024.

ESSB 5950 contains an emergency clause and takes effect March 29, 2024.

SB 6013

Expanding the homeownership development property tax exemption to include real property sold to low-income households for building residences using mutual self-help housing construction. ([Chapter 273, Laws of 2024](#))

This bill expands the existing homeownership development property tax exemption to include real property owned by a nonprofit entity for the purpose of selling the real property to a low-income household who enters into an agreement with the nonprofit to build, or have built, through a qualified mutual self-help housing program a residence on the real property for the low-income household.

The exemption expires when the nonprofit transfers the title of the real property to the low-income household.

“Qualified mutual self-help housing program” is a program dedicated to supporting the building of residences for low-income households in Washington through a mutual self-help construction method by which multiple low-income households use their own labor to reduce total construction costs of their residences. The program must also be operated by a nonprofit entity and be receiving financial support from the United State Department of Agriculture’s Mutual self-help housing technical assistance grant program or its successor program.

SB 6013 takes effect June 6, 2024, and applies to taxes levied for collection in 2025 and after.

ESSB 6038

Reducing the costs associated with providing child care. ([Chapter 195, Laws of 2024](#))

This bill expands the B&O tax exemption for child care services for periods less than 24 hours to include income received from the care of children under age 13, and children under age 19 who have a verified special need or are under court supervision. The bill clarifies that eligible businesses must be primarily engaged in providing child care.

ESSB 6038 takes effect October 1, 2024.

SB 6080 **Simplifying the funding provisions of the statewide tourism marketing account. ([Chapter 130, Laws of 2024](#))**

The bill removes the requirement to include legislative authorization in the biennial omnibus appropriation act to deposit funds into the Statewide Tourism Marketing Account.

SB 6080 takes effect July 1, 2025.

E2SSB 6175 **Revised for Engrossed: Concerning housing affordability tax incentives for existing structures. ([Chapter 332, Laws of 2024](#))**

This bill allows cities to authorize a retail sales and use tax deferral program for the conversion of underutilized commercial property into affordable housing.

If recipients of a deferral under this program maintain the property for qualifying purposes for at least 10 years, the deferred sales and use taxes need not be repaid. However, if this requirement is not met, any deferred sales and use tax becomes immediately due with interest retroactively to the deferral date.

Approved investment projects must be primarily for multifamily housing units. The applicants must commit to renting or selling at least 10% of the units as affordable housing to low-income households. In a mixed-use project, only the ground floor of a building may be used for commercial purposes, with the remainder dedicated to multifamily housing units.

Owners of underutilized commercial property claiming a tax deferral under this program may also apply for the multi-family housing property tax exemption (MFTE) program under chapter 84.14 RCW.

This bill also adds a definition of "conversion" to the MFTE program statutes.

E2SSB 6175 takes effect June 6, 2024. The department cannot accept applications for deferral certificates after June 30, 2024.

SB 6215 **Improving tax and revenue laws. ([Chapter 252, Laws of 2024](#))**

This bill modifies tax and revenue laws by making technical corrections, clarifying ambiguities, easing compliance burdens for taxpayers, and providing administrative efficiencies.

Specifically, this bill makes the following changes to the state’s tax statutes:

- Clarifies that the basic education compensation report provided to the Legislature every four years must contain each school district's median single-family residential value and each school district's median single-family residential value, including those proximate to the school district.
- Corrects an erroneous word in the definition of "primarily" as it relates to the B&O tax exemption for newspapers.
- Modifies the definition of “contractor” to align with changes made to the definition of “plumbing contractor” in DOL statutes.
- Removes outdated reseller permit renewal references for periods before July 1, 2013.
- Clarifies that to be eligible for a motor vehicle use tax exemption, members of the armed services stationed outside of Washington must also reside outside of Washington.
- Clarifies that taxes imposed under the local real estate excise tax statutes must comply with all applicable rules, definitions, regulations, laws, and court decisions regarding real estate excise taxes as imposed by the state real estate excise tax statutes.

SB 6215 takes effect June 6, 2024.

SB 6238

Updating thresholds for the property tax exemption for widows and widowers of honorably discharged veterans. ([Chapter 334, Laws of 2024](#))

This bill increases the exemption amounts for the property tax assistance program for widows and widowers of veterans.

The exemption is equal to the regular and excess property taxes due on the difference between the value of the residence eligible for relief under the senior citizen and people with disabilities exemption program and the first:

- \$200,000 of assessed value of the residence for applicants with income equal to or less than income threshold 1.
- \$150,000 of assessed value of the residence for applicants with income equal to or less than income threshold 2 but greater than income threshold 1.
- \$100,000 of assessed value of the residence for applicants with income equal to or less than income threshold 3 but greater than income threshold 2.

This bill also aligns the qualifying income requirements with the existing thresholds for the senior citizens and people with disabilities property tax exemption program, as follows:

- Income threshold 1 is the greater of \$30,000, or 50% of the county median household income.

- Income threshold 2 is the greater of \$35,000, or 60% of the county median household income.
- Income threshold 3 is the greater of \$40,000, or 70% of the county median household income.

SB 6238 takes effect June 6, 2024, and applies to taxes levied for collection in 2025 and after.

SSB 6316 Concerning the state route number 520 corridor. ([Chapter 281, Laws of 2024](#))

This bill authorizes the Department of Transportation to apply for a state and local sales and use tax deferral related to the construction of the SR 520 corridor improvements—west end project. Repayment of deferred taxes will begin December 31 of the 24th year after the project is operationally complete.

The project is operationally complete when WSDOT notifies the Department of Revenue in writing that all projects qualifying for a deferral within the west end project are operationally complete.

SSB 6316 contains an emergency clause and takes effect March 26, 2024.

Nontax Bills

2SHB 2014 Concerning the definition of veteran and restoring honor to veterans. ([Chapter 146, Laws of 2024](#))

This bill expands veterans' eligibility for purposes of state benefits and services for veterans to include veterans whose separation from armed service was characterized as other than an honorable discharge.

Relevant to the Department of Revenue, this bill updates the documentation a widow or widower applicant must file to qualify for the veteran widow or widower property tax grant program to align with the new definitions of veteran and qualifying discharges made in the bill.

To prove the deceased spouse or deceased domestic partner qualifies as a veteran with an other than honorable characterization of service, the widow or widower applicant must provide proof of one of the following:

- The decedent was, at any point, eligible for or received United States Department of Veterans Affairs monetary benefits.
- The decedent's survivor is eligible for or has received United States Department of Veterans Affairs monetary survivor benefits.

2SHB 2014 takes effect June 6, 2024. This bill contains a null and void clause if not funded in the operating budget, ESSB 5950. It was funded in Sec. 139(9).

SSB 5857 Reorganizing statutes on campaign disclosure and contribution. ([Chapter 164, Laws of 2024](#))

This bill makes technical amendments to campaign contributions and disclosure statutes. Relevant to the Department of Revenue, this bill makes a technical change in the newspaper B&O tax exemption statute to amend a citation to the statutory definition of "expenditure" that was replaced in this bill. The definition itself remains unchanged.

SSB 5857 takes effect January 1, 2026.

ESSB 6105 Creating safer working conditions in adult entertainment establishments. ([Chapter 250, Laws of 2024](#))

Relevant to the Department of Revenue, this bill requires the Liquor and Cannabis Board to repeal Washington Administrative Code 314-11-050, allowing adult

entertainment establishments to obtain a liquor license. The department issues various liquor licenses on behalf of the LCB.

This section of ESSB 6105 takes effect June 6, 2024.