

**RCW 35.21.710 License fees or taxes on certain business activities—Uniform rate required—Maximum rate established.** Any city which imposes a license fee or tax upon business activities consisting of the making of retail sales of tangible personal property which are measured by gross receipts or gross income from such sales, shall impose such tax at a single uniform rate upon all such business activities. The taxing authority granted to cities for taxes upon business activities measured by gross receipts or gross income from sales shall not exceed a rate of .0020; except that any city with an adopted ordinance at a higher rate, as of January 1, 1982 shall be limited to a maximum increase of ten percent of the January 1982 rate, not to exceed an annual incremental increase of two percent of current rate: PROVIDED, That any adopted ordinance which classifies according to different types of business or services shall be subject to both the ten percent and the two percent annual incremental increase limitation on each tax rate: PROVIDED FURTHER, That all surtaxes on business and occupation classifications in effect as of January 1, 1982, shall expire no later than December 31, 1982, or by expiration date established by local ordinance. Cities which impose a license fee or tax upon business activities consisting of the making of retail sales of tangible personal property which are measured by gross receipts or gross income from such sales shall be required to submit an annual report to the state auditor identifying the rate established and the revenues received from each fee or tax. This section shall not apply to any business activities subject to the tax imposed by chapter 82.16 RCW. For purposes of this section, the providing to consumers of competitive telephone service, as defined in RCW 82.04.065, or the providing of payphone service, shall be subject to tax at the same rate as business activities consisting of the making of retail sales of tangible personal property. As used in this section, "payphone service" means making telephone service available to the public on a fee-per-call basis, independent of any other commercial transaction, for the purpose of making telephone calls, when the telephone can only be activated by inserting coins, calling collect, using a calling card or credit card, or dialing a toll-free number, and the provider of the service owns or leases the telephone equipment but does not own the telephone line providing the service to that equipment and has no affiliation with the owner of the telephone line. [2002 c 179 s 1; 1983 2nd ex.s. c 3 s 33; 1983 c 99 s 7; 1982 1st ex.s. c 49 s 7; 1981 c 144 s 6; 1972 ex.s. c 134 s 6.]

**Effective date—2002 c 179:** "This act takes effect July 1, 2002." [2002 c 179 s 5.]

**Construction—Severability—Effective dates—1983 2nd ex.s. c 3:** See notes following RCW 82.04.255.

**Intent—1982 1st ex.s. c 49:** "The legislature hereby recognizes the concern of local governmental entities regarding the financing of vital services to residents of this state. The legislature finds that local governments are an efficient and responsive means of providing these vital services to the citizens of this state. It is the intent of the legislature that vital services such as public safety, public health, and fire protection be recognized by all local governmental entities in this state as top priorities of the citizens of Washington." [1982 1st ex.s. c 49 s 1.]

**Construction—1982 1st ex.s. c 49:** "Nothing in this act precludes the imposition of business and occupation taxes by cities and towns, or of sales and use taxes. However, nothing in this act authorizes the imposition of a business and occupation tax by any county." [1982 1st ex.s. c 49 s 6.]

**Effective date—1982 1st ex.s. c 49:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately, except section 5 of this act shall take effect July 1, 1982." [1982 1st ex.s. c 49 s 25.]

**Fire district funding—1982 1st ex.s. c 49:** "County legislative authorities who levy optional taxes pursuant to this act shall fully consider funding for fire districts within their respective jurisdictions during the county budget process.

The local government committees of the legislature shall study fire district services and funding and shall report back to the Washington State Legislature by December 31, 1982." [1982 1st ex.s. c 49 s 23.]

**Intent—Severability—Effective date—1981 c 144:** See notes following RCW 82.16.010.

*License fees and taxes on financial institutions: Chapter 82.14A RCW.*