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**Finance Committee**

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**HB 2567**

**Brief Description:** Concerning the excise taxation of publicly owned facilities accredited by the association of zoos and aquariums.

**Sponsors:** Representatives Carlyle, Dickerson, Simpson, Anderson, White, Nelson, Sullivan, Kenney, Maxwell, Lias, Pettigrew and Santos.

**Brief Summary of Bill**

- Exempts metropolitan park districts and nonprofit organizations that operate publicly-owned, accredited zoos from business and occupation tax.

**Hearing Date:** 2/5/10

**Staff:** Rick Peterson (786-7150).

**Background:**

Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. The tax is imposed on the gross receipts from all business activities conducted within the state. Revenues are deposited in the State General Fund. A business may have more than one B&O tax rate, depending on the types of activities conducted. The tax rate for manufacturing is 0.484 percent, for retailing the rate is 0.471 percent, and for most types of businesses that provide services the rate is 1.5 percent.

Nonprofit organizations are generally subject to the B&O tax. However, nonprofit artistic and cultural organizations are not taxed on income from business activities and income received from governments.

**Summary of Bill:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Metropolitan park districts and nonprofit organizations that operate publically-owned zoological facilities that are accredited by the Association of Zoos and Aquariums are exempt from the B&O tax on income received from business activities at the zoo. They are also exempt from tax on income received from governments to support zoological exhibitions, presentations, performances, and education programs

The value of articles manufactured by a nonprofit organization or metropolitan park district operating a zoo for use in displaying or presenting zoological exhibitions, presentations, performances, or educational programs is exempt from the B&O tax.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.