

# HOUSE BILL REPORT

## HB 2567

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**As Passed House:**  
February 15, 2010

**Title:** An act relating to the excise taxation of publicly owned facilities accredited by the association of zoos and aquariums.

**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 History:**

**Committee Activity:**

Finance: 2/5/10, 2/9/10 [DP].

**Floor Activity:**

Passed House: 2/15/10, 97-1.

**Brief Summary of Bill**

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

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 8 members: Representatives Hunter, Chair; Orcutt, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Condotta, Conway, Ericks, Santos and Springer.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Hasegawa, Vice Chair.

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

**Background:**

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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.*

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:**

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.

**Staff Summary of Public Testimony:**

(In support) This bill is about equity in public policy. The definition of artistic and cultural institutions, for the purpose of a B&O exemption, in the Revised Code of Washington does not include zoos and aquariums. This bill would include them. Despite record attendance, revenue for the zoo and aquarium in Seattle has declined due to decreased sales and they have had to cut their services and staff back. This bill would go a long way to help them. Zoos and aquariums provide a number of benefits to their communities.

(Opposed) None.

**Persons Testifying:** Representative Carlyle, prime sponsor; Bruce Bohmke, Woodland Park Zoo; and Bob Davidson, Seattle Aquarium Society.

**Persons Signed In To Testify But Not Testifying:** None.