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HOUSE BILL 3221

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State of Washington                      61st Legislature                      2010 1st Special Session

**By** Representatives Goodman, Van De Wege, Maxwell, Williams, Upthegrove, Kelley, Kirby, Lias, Orwall, Simpson, Appleton, Sells, Blake, Linville, Jacks, Rolfes, Driscoll, Hurst, Takko, Carlyle, Hinkle, and Conway

1            AN ACT Relating to eliminating the business and occupation tax  
2 surcharge on real estate brokers; amending RCW 82.04.---, 82.04.4451,  
3 and 82.32.045; providing an effective date; and declaring an emergency.

4            BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 82.04.--- and 2010 1st sp.s. c ... (2ESSB 6143) s 1101  
6 are each amended to read as follows:

7            (1) Beginning May 1, 2010, through June 30, 2013, an additional  
8 rate of tax of 0.30 percent is added to the rate provided for in RCW  
9 (~~(82.04.255,)~~) 82.04.285(~~(,)~~) and 82.04.290(2)(a).

10            (2)(a) The additional rate in subsection (1) of this section does  
11 not apply to persons engaging within this state in business as a  
12 hospital. "Hospital" has the meaning provided in chapter 70.41 RCW but  
13 also includes any hospital that comes within the scope of chapter 71.12  
14 RCW if the hospital is also licensed under chapter 70.41 RCW.

15            (b) The additional rate in subsection (1) of this section does not  
16 apply to amounts received from performing scientific research and  
17 development services including but not limited to research and  
18 development in the physical, engineering, and life sciences (such as

1 agriculture, bacteriological, biotechnology, chemical, life sciences,  
2 and physical science research and development laboratories or  
3 services).

4 **Sec. 2.** RCW 82.04.4451 and 2010 1st sp.s. c ... (2ESSB 6143) s  
5 1102 are each amended to read as follows:

6 (1) In computing the tax imposed under this chapter, a credit is  
7 allowed against the amount of tax otherwise due under this chapter, as  
8 provided in this section. Except for taxpayers that report at least  
9 fifty percent of their taxable amount under RCW (~~(82.04.255,)~~)  
10 82.04.290(2)(a)(~~(7)~~) and 82.04.285, the maximum credit for a taxpayer  
11 for a reporting period is thirty-five dollars multiplied by the number  
12 of months in the reporting period, as determined under RCW 82.32.045.  
13 For a taxpayer that reports at least fifty percent of its taxable  
14 amount under RCW (~~(82.04.255,)~~) 82.04.290(2)(a)(~~(7)~~) and 82.04.285, the  
15 maximum credit for a reporting period is seventy dollars multiplied by  
16 the number of months in the reporting period, as determined under RCW  
17 82.32.045.

18 (2) When the amount of tax otherwise due under this chapter is  
19 equal to or less than the maximum credit, a credit is allowed equal to  
20 the amount of tax otherwise due under this chapter.

21 (3) When the amount of tax otherwise due under this chapter exceeds  
22 the maximum credit, a reduced credit is allowed equal to twice the  
23 maximum credit, minus the tax otherwise due under this chapter, but not  
24 less than zero.

25 (4) The department may prepare a tax credit table consisting of tax  
26 ranges using increments of no more than five dollars and a  
27 corresponding tax credit to be applied to those tax ranges. The table  
28 shall be prepared in such a manner that no taxpayer will owe a greater  
29 amount of tax by using the table than would be owed by performing the  
30 calculation under subsections (1) through (3) of this section. A table  
31 prepared by the department under this subsection must be used by all  
32 taxpayers in taking the credit provided in this section.

33 **Sec. 3.** RCW 82.32.045 and 2010 1st sp.s. c ... (2ESSB 6143) s 1103  
34 are each amended to read as follows:

35 (1) Except as otherwise provided in this chapter, payments of the  
36 taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, and 82.16 RCW,

1 along with reports and returns on forms prescribed by the department,  
2 are due monthly within twenty-five days after the end of the month in  
3 which the taxable activities occur.

4 (2) The department of revenue may relieve any taxpayer or class of  
5 taxpayers from the obligation of remitting monthly and may require the  
6 return to cover other longer reporting periods, but in no event may  
7 returns be filed for a period greater than one year. For these  
8 taxpayers, tax payments are due on or before the last day of the month  
9 next succeeding the end of the period covered by the return.

10 (3) The department of revenue may also require verified annual  
11 returns from any taxpayer, setting forth such additional information as  
12 it may deem necessary to correctly determine tax liability.

13 (4) Notwithstanding subsections (1) and (2) of this section, the  
14 department may relieve any person of the requirement to file returns if  
15 the following conditions are met:

16 (a) The person's value of products, gross proceeds of sales, or  
17 gross income of the business, from all business activities taxable  
18 under chapter 82.04 RCW, is less than:

- 19 (i) Twenty-eight thousand dollars per year; or
- 20 (ii) Forty-six thousand six hundred and sixty-seven dollars per  
21 year for persons generating at least fifty percent of their taxable  
22 amount from activities taxable under RCW (~~((82.04.255,))~~)  
23 82.04.290(2)(a)(~~(7)~~) and 82.04.285;

24 (b) The person's gross income of the business from all activities  
25 taxable under chapter 82.16 RCW is less than twenty-four thousand  
26 dollars per year; and

27 (c) The person is not required to collect or pay to the department  
28 of revenue any other tax or fee which the department is authorized to  
29 collect.

30 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
31 preservation of the public peace, health, or safety, or support of the  
32 state government and its existing public institutions, and takes effect  
33 May 1, 2010.

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