

ESSB 5980 - H COMM AMD
By Committee on Finance

ADOPTED 03/09/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 82.04.4451 and 2010 1st sp.s. c 23 s 1102 are each
4 amended to read as follows:

5 (1) In computing the tax imposed under this chapter, a credit is
6 allowed against the amount of tax otherwise due under this chapter,
7 as provided in this section. Except for taxpayers that report at
8 least (~~fifty~~) 50 percent of their taxable amount under RCW
9 82.04.255, 82.04.290(2)(a), and 82.04.285, the maximum credit for a
10 taxpayer for a reporting period is (~~thirty-five dollars~~) \$55
11 multiplied by the number of months in the reporting period, as
12 determined under RCW 82.32.045. For a taxpayer that reports at least
13 (~~fifty~~) 50 percent of its taxable amount under RCW 82.04.255,
14 82.04.290(2)(a), and 82.04.285, the maximum credit for a reporting
15 period is (~~seventy dollars~~) \$160 multiplied by the number of months
16 in the reporting period, as determined under RCW 82.32.045.

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

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

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

1 **Sec. 2.** RCW 82.32.045 and 2019 c 63 s 2 and 2019 c 8 s 302 are
2 each reenacted and amended to read as follows:

3 (1) Except as otherwise provided in this chapter and subsection
4 (6) of this section, payments of the taxes imposed under chapters
5 82.04, 82.08, 82.12, 82.14, and 82.16 RCW, along with reports and
6 returns on forms prescribed by the department, are due monthly within
7 twenty-five days after the end of the month in which the taxable
8 activities occur.

9 (2) The department of revenue may relieve any taxpayer or class
10 of taxpayers from the obligation of remitting monthly and may require
11 the return to cover other longer reporting periods, but in no event
12 may returns be filed for a period greater than one year. Except as
13 provided in subsection (3) of this section, for these taxpayers, tax
14 payments are due on or before the last day of the month next
15 succeeding the end of the period covered by the return.

16 (3) For annual filers, tax payments, along with reports and
17 returns on forms prescribed by the department, are due on or before
18 April 15th of the year immediately following the end of the period
19 covered by the return.

20 (4) The department of revenue may also require verified annual
21 returns from any taxpayer, setting forth such additional information
22 as it may deem necessary to correctly determine tax liability.

23 (5) Notwithstanding subsections (1) and (2) of this section, the
24 department may relieve any person of the requirement to file returns
25 if the following conditions are met:

26 (a) The person's value of products, gross proceeds of sales, or
27 gross income of the business, from all business activities taxable
28 under chapter 82.04 RCW, is less than(~~(~~

29 ~~(i) Twenty-eight thousand dollars per year; or~~

30 ~~(ii) Forty-six thousand six hundred sixty-seven dollars per year~~
31 ~~for persons generating at least fifty percent of their taxable amount~~
32 ~~from activities taxable under RCW 82.04.255, 82.04.290(2)(a), and~~
33 ~~82.04.285)) \$125,000;~~

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

37 (c) The person is not required to collect or pay to the
38 department of revenue any other tax or fee which the department is
39 authorized to collect.

1 (6) (a) Taxes imposed under chapter 82.08 or 82.12 RCW on taxable
2 events that occur beginning January 1, 2019, through June 30, 2019,
3 and payable by a consumer directly to the department are due, on
4 returns prescribed by the department, by July 25, 2019.

5 (b) This subsection (6) does not apply to the reporting and
6 payment of taxes imposed under chapters 82.08 and 82.12 RCW:

7 (i) On the retail sale or use of motor vehicles, vessels, or
8 aircraft; or

9 (ii) By consumers who are engaged in business, unless the
10 department has relieved the consumer of the requirement to file
11 returns pursuant to subsection (5) of this section.

12 NEW SECTION. **Sec. 3.** This act applies to reporting periods
13 beginning on or after January 1, 2023.

14 NEW SECTION. **Sec. 4.** Section 1 of this act is exempt from RCW
15 82.32.805 and 82.32.808."

16 Correct the title.

EFFECT: Exempts the business and occupation small business tax
credit from the requirements of a tax preference performance
statement, a Joint Legislative Audit and Review study, and an
automatic expiration.

--- END ---