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HOUSE BILL 1301

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State of Washington

54th Legislature

1995 Regular Session

By Representatives Campbell, Pennington, Morris, Boldt, Hymes, Van Luven, Carrell, Patterson, B. Thomas, Mulliken, L. Thomas, Schoesler, Smith, Sherstad, Hargrove, Kremen and Costa

Read first time 01/20/95. Referred to Committee on Finance.

1 AN ACT Relating to modifying business and occupation tax rates;  
2 amending RCW 82.04.255 and 82.04.290; creating a new section; repealing  
3 RCW 82.04.2201; providing an effective date; and declaring an  
4 emergency.

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

6 **Sec. 1.** RCW 82.04.255 and 1993 sp.s. c 25 s 202 are each amended  
7 to read as follows:

8 Upon every person engaging within the state as a real estate  
9 broker; as to such persons, the amount of the tax with respect to such  
10 business shall be equal to the gross income of the business, multiplied  
11 by the rate of (~~2.0~~) 1.75 percent.

12 The measure of the tax on real estate commissions earned by the  
13 real estate broker shall be the gross commission earned by the  
14 particular real estate brokerage office including that portion of the  
15 commission paid to salesmen or associate brokers in the same office on  
16 a particular transaction: PROVIDED, HOWEVER, That where a real estate  
17 commission is divided between an originating brokerage office and a  
18 cooperating brokerage office on a particular transaction, each  
19 brokerage office shall pay the tax only upon their respective shares of

1 said commission: AND PROVIDED FURTHER, That where the brokerage office  
2 has paid the tax as provided herein, salesmen or associate brokers  
3 within the same brokerage office shall not be required to pay a similar  
4 tax upon the same transaction.

5 **Sec. 2.** RCW 82.04.290 and 1993 sp.s. c 25 s 203 are each amended  
6 to read as follows:

7 (1) Upon every person engaging within this state in the business of  
8 providing selected business services other than or in addition to those  
9 enumerated in RCW 82.04.250 or 82.04.270; as to such persons the amount  
10 of tax on account of such activities shall be equal to the gross income  
11 of the business multiplied by the rate of (~~(2.5)~~) 2.0 percent.

12 (2) Upon every person engaging within this state in banking, loan,  
13 security, investment management, investment advisory, or other  
14 financial businesses; as to such persons, the amount of the tax with  
15 respect to such business shall be equal to the gross income of the  
16 business, multiplied by the rate of (~~(1.70)~~) 1.6 percent.

17 (3) Upon every person engaging within this state in any business  
18 activity other than or in addition to those enumerated in RCW  
19 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270, and  
20 82.04.280, and subsections (1) and (2) of this section; as to such  
21 persons the amount of tax on account of such activities shall be equal  
22 to the gross income of the business multiplied by the rate of (~~(2.0)~~)  
23 1.75 percent.

24 This section includes, among others, and without limiting the scope  
25 hereof (whether or not title to materials used in the performance of  
26 such business passes to another by accession, confusion or other than  
27 by outright sale), persons engaged in the business of rendering any  
28 type of service which does not constitute a "sale at retail" or a "sale  
29 at wholesale." The value of advertising, demonstration, and  
30 promotional supplies and materials furnished to an agent by his  
31 principal or supplier to be used for informational, educational and  
32 promotional purposes shall not be considered a part of the agent's  
33 remuneration or commission and shall not be subject to taxation under  
34 this section.

35 NEW SECTION. **Sec. 3.** RCW 82.04.2201 and 1994 sp.s. c 10 s 1 &  
36 1993 sp.s. c 25 s 204 are each repealed.

1        NEW SECTION.    **Sec. 4.**    The repeal in section 3 of this act shall  
2 not be construed as affecting any existing right acquired or liability  
3 or obligation incurred under the sections repealed or under any rule or  
4 order adopted under those sections, nor as affecting any proceeding  
5 instituted under those sections.

6        NEW SECTION.    **Sec. 5.**    This act is necessary for the immediate  
7 preservation of the public peace, health, or safety, or support of the  
8 state government and its existing public institutions, and shall take  
9 effect July 1, 1995.

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