
HOUSE CONCURRENT RESOLUTION 4412

State of Washington

54th Legislature

1995 Regular Session

By Representatives Boldt, Mulliken, Pennington, Carrell, Chandler, Elliot, Thompson, Sheldon, Benton, McMahan and L. Thomas

Read first time 04/23/95. Referred to Committee on Finance.

1 WHEREAS, Washington is the only state to impose a business and
2 occupation tax upon gross income as its primary business tax; and

3 WHEREAS, The business and occupation tax is unrelated to a
4 business's ability to pay; and

5 WHEREAS, The business and occupation tax arbitrarily penalizes
6 businesses with low-profit margins, such as new businesses, high
7 turnover businesses, and small, nonvertically integrated businesses;
8 and

9 WHEREAS, The business and occupation tax results in double taxation
10 by taxing full gross income at manufacturing, wholesaling, and
11 retailing of a product; and

12 WHEREAS, The business and occupation tax does not encourage
13 economic development;

14 NOW, THEREFORE, BE IT RESOLVED, By the House of Representatives of
15 the state of Washington, the Senate concurring, That there is hereby
16 created a joint select committee on business tax reform composed of
17 twelve members, with six members of the senate, three from each of the
18 two largest caucuses, to be appointed by the president of the senate;
19 and six members of the house of representatives, three from each of the
20 two largest caucuses, to be appointed by the speaker of the house of
21 representatives. The speaker of the house of representatives and the

1 president of the senate shall designate cochairs of the committee. The
2 expenses of the committee members shall be paid by the legislature
3 under chapter 44.04 RCW. Staff support for the committee shall be
4 provided by senate committee services and house of representatives
5 office of program research as mutually agreed by the cochairs of the
6 joint select committee. The committee may also use the research
7 services provided to the legislature by the department of revenue under
8 RCW 82.01.060(4); and

9 BE IT FURTHER RESOLVED, That the joint select committee on
10 business tax reform shall complete a thorough review of Washington's
11 business tax system. The committee shall examine alternatives to the
12 current business and occupation tax and recommend changes that would
13 increase the overall fairness of the state's business tax system and
14 encourage economic development; and

15 BE IT FURTHER RESOLVED, That the joint select committee on business
16 tax reform shall submit its final report to the legislature by December
17 31, 1995.

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