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SENATE BILL 5651

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State of Washington

54th Legislature

1996 Regular Session

By Senators Hale, McDonald, Newhouse, West, Finkbeiner, Wood, McCaslin, Johnson, A. Anderson, Hochstatter, Strannigan, Schow, Deccio, Swecker, Oke, Roach, Morton, Palmer, Winsley, Prince, Cantu and Sellar

Read first time 01/30/95. Referred to Committee on Ways & Means.

1 AN ACT Relating to decreasing business and occupation tax rates;  
2 amending RCW 82.04.255 and 82.04.290; repealing RCW 82.04.055 and  
3 82.04.2201; providing an effective date; and declaring an emergency.

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

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

7 Upon every person engaging within the state as a real estate  
8 broker; as to such persons, the amount of the tax with respect to such  
9 business shall be equal to the gross income of the business, multiplied  
10 by the rate of ((2-0)) 1.5 percent.

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

1 has paid the tax as provided herein, salesmen or associate brokers  
2 within the same brokerage office shall not be required to pay a similar  
3 tax upon the same transaction.

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

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

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

16 ~~(3))~~ Upon every person engaging within this state in any business  
17 activity other than or in addition to those enumerated in RCW  
18 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270, and  
19 82.04.280(~~(, and subsections (1) and (2) of this section)~~); as to such  
20 persons the amount of tax on account of such activities shall be equal  
21 to the gross income of the business multiplied by the rate of ~~((2.0))~~  
22 1.5 percent. This section includes, among others, and without limiting  
23 the scope hereof (whether or not title to materials used in the  
24 performance of such business passes to another by accession, confusion  
25 or other than by outright sale), persons engaged in the business of  
26 rendering any type of service which does not constitute a "sale at  
27 retail" or a "sale at wholesale." The value of advertising,  
28 demonstration, and promotional supplies and materials furnished to an  
29 agent by his principal or supplier to be used for informational,  
30 educational and promotional purposes shall not be considered a part of  
31 the agent's remuneration or commission and shall not be subject to  
32 taxation under this section.

33 NEW SECTION. **Sec. 3.** The following acts or parts of acts are each  
34 repealed:

35 (1) RCW 82.04.055 and 1993 sp.s. c 25 s 201; and

36 (2) RCW 82.04.2201 and 1994 1st sp.s. c 10 s 1 & 1993 sp.s. c 25 s  
37 204.

1        NEW SECTION.    **Sec. 4.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and shall take  
4    effect July 1, 1995.

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