

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5739

Chapter 11, Laws of 1995

54th Legislature
1995 Second Special Session

SALES BY NONPROFIT ORGANIZATIONS--TAXATION OF BAZAARS
AND RUMMAGE SALES

EFFECTIVE DATE: 7/1/95

Passed by the Senate May 24, 1995
YEAS 47 NAYS 0

R. LORRAINE WOJAHN
President of the Senate

Passed by the House May 24, 1995
YEAS 94 NAYS 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Approved June 15, 1995

MIKE LOWRY
Governor of the State of Washington

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5739** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MARTY BROWN
Secretary

FILED

June 15, 1995 - 4:20 p.m.

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5739

Passed Legislature - 1995 Second Special Session

State of Washington

54th Legislature

1995 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Strannigan, Rinehart, Johnson, Quigley, Long, Owen, Cantu, Hale, Finkbeiner, McCaslin, Palmer, Hochstatter, McDonald, Spanel, Schow, Prentice, Moyer, Loveland, Swecker, West, Rasmussen, Smith, Drew, Haugen, Franklin, Fairley, A. Anderson, Wojahn, Heavey, McAuliffe, Kohl, Hargrove, Oke and Bauer)

Read first time 02/23/95.

1 AN ACT Relating to sales by nonprofit organizations; amending RCW
2 82.04.365; adding a new section to chapter 82.08 RCW; adding a new
3 section to chapter 82.04 RCW; providing an effective date; and
4 declaring an emergency.

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

6 **Sec. 1.** RCW 82.04.365 and 1979 ex.s. c 196 s 7 are each amended to
7 read as follows:

8 (1) This chapter does not apply to (~~amounts derived~~) the first
9 twenty thousand dollars received in a calendar year by a nonprofit
10 organization as a result of conducting or participating in a bazaar or
11 rummage sale if:

12 (a) The organization does not conduct or participate in more than
13 two bazaars or rummage sales per year; and

14 (b) Each bazaar or rummage sale does not extend over a period of
15 more than two days(~~and~~

16 ~~(c) The gross income received by each organization from each bazaar
17 or rummage sale does not exceed one thousand dollars~~)).

18 (2) For purposes of this section, "nonprofit organization" means an
19 organization that meets all of the following criteria:

1 (a) The members, stockholders, officers, directors, or trustees of
2 the organization do not receive any part of the organization's gross
3 income, except as payment for services rendered;

4 (b) The compensation received by any person for services rendered
5 to the organization does not exceed an amount reasonable under the
6 circumstances; and

7 (c) The activities of the organization do not include a substantial
8 amount of political activity, including but not limited to influencing
9 legislation and participation in any campaign on behalf of any
10 candidate for political office.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
12 to read as follows:

13 The tax levied by RCW 82.08.020 does not apply to sales made by a
14 nonprofit organization if the gross income from the sales is exempt
15 under RCW 82.04.365.

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04 RCW
17 to read as follows:

18 This chapter does not apply to nonprofit organizations in respect
19 to amounts derived from the provision of child care resource and
20 referral services.

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

Passed the Senate May 24, 1995.

Passed the House May 24, 1995.

Approved by the Governor June 15, 1995.

Filed in Office of Secretary of State June 15, 1995.