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5 On page 8, after line 25, insert the following:

6 "NEW SECTION. **Sec. 8.** A new section is added to chapter 82.04 RCW
7 to read as follows:

8 (1) This chapter shall not apply to the gross sales or the gross
9 income received by a new small business located in an eligible area as
10 defined in RCW 82.62.010.

11 (2) As used in this section:

12 (a) "New small business" means a business that: (i) Obtained or
13 was required to obtain a registration certificate under RCW 82.32.030
14 for the first time during the thirty-six months immediately preceding
15 the date in which an exemption is claimed under this section; and (ii)
16 for the business, the value of products, gross proceeds of sales, or
17 gross income of the business, from all business activities, is less
18 than five million dollars per year.

19 (b) For out-of-state entities first engaging in business in this
20 state, "new small business" means a person or company, as defined in
21 RCW 82.04.030, located outside this state that: (i) Obtained or was
22 required to obtain registration with any state, federal, or foreign
23 agency for the first time during the thirty-six months immediately
24 preceding the date in which an exemption is claimed under this section;
25 and (ii) for the business, the value of products, gross proceeds of
26 sales, or gross income of the business, from all business activities,
27 is less than five million dollars per year.

28 (c) "New small business" does not include:

29 (i) A business that has been restructured, reorganized, or
30 transferred, unless the majority of the activities to be conducted
31 after restructuring, reorganization, or transferral are significantly
32 different from the activities previously conducted;

33 (ii) A new branch location or other facility; or

34 (iii) A business that is substantially similar to a business
35 currently operated, or operated within the past twelve years, by the
36 same principals."

1 Renumber the remaining sections consecutively and correct any
2 internal references and the title accordingly.

3 EFFECT: Exempts new businesses located in distressed counties from
4 the B&O tax for 3 years.

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