

# FINAL BILL REPORT

## HB 1959

---

---

C 4 L 97

Synopsis as Enacted

**Brief Description:** Providing business and occupation tax exemptions for wholesale car auctions.

**Sponsors:** Representatives Robertson, Grant, Mulliken, Cairnes, Mastin, Ogden, Keiser, Dunn and Cooke.

### Senate Committee on Ways & Means

**Background:** Washington's major business tax is the business and occupation (B&O) tax. The B&O tax rate on manufacturing, wholesaling, and extracting is 0.506 percent.

The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. Out-of-state companies that bring goods into Washington and sell these goods in Washington are subject to the B&O tax.

**Summary:** A B&O tax exemption is provided for amounts received by motor vehicle manufacturers and their financing subsidiaries from the sale of motor vehicles at wholesale auctions to dealers licensed in this or another state.

### Votes on Final Passage:

House 98 0

Senate 46 0

**Effective:** March 18, 1997