

FINAL BILL REPORT

ESHB 2933

C 343 L 98

Synopsis as Enacted

Brief Description: Prescribing the taxation of businesses warehousing and selling pharmaceutical drugs.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Radcliff, Cooper, Cooke, Morris, Doumit, Dyer, L. Thomas, Zellinsky, Grant and Thompson).

House Committee on Finance
Senate Committee on Ways & Means

Background: The business and occupation (B&O) tax is levied for the privilege of doing business in Washington. The tax is levied on 100 percent of the gross receipts of all business activities (except utility activities) conducted within the state.

Although there are several different rates, beginning July 1, 1998, the principal rates will be as follows:

- manufacturing/wholesaling 0.484 percent
- retailing 0.471 percent
- services 1.5 percent

Wholesalers that sell goods to retailers pay the wholesaling B&O tax (0.484 percent) on the sales price of the goods sold.

Summary: Wholesalers of prescription drugs are provided a tax reduction. The tax rate is reduced from 0.484 percent of gross income to 0.138 percent of gross income.

Votes on Final Passage:

House 96 0
Senate 41 2 (Senate amended)
House 98 0 (House concurred)

Effective: July 1, 2001