

SENATE BILL REPORT

SB 5535

As of February 16, 2001

Title: An act relating to charges for educational programs offered by nonprofit organizations in the public schools.

Brief Description: Exempting from taxation certain charges received by a nonprofit organization for educational programs.

Sponsors: Senators Kohl-Welles and Kline.

Brief History:

Committee Activity: Education: 2/21/01.

SENATE COMMITTEE ON EDUCATION

Staff: Susan Mielke (786-7422)

Background: The business & occupation (B&O) tax is levied for the privilege of doing business in Washington. The tax is levied on the gross receipts of all business activities (except utility activities) conducted within the state. There are no deductions for the costs of doing business.

The B&O tax does not apply to amounts received by nonprofit organizations that are exempt from federal income tax for educational programs that are cosponsored by an institution of higher education if the institution grants college credit for the coursework.

Summary of Bill: The B&O tax does not apply to amounts received by nonprofit organizations that are exempt from federal income tax for foreign language educational programs in the public schools that are cosponsored by a public school.

Appropriation: None.

Fiscal Note: Requested on February 13, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.