

# SENATE BILL REPORT

## SB 5863

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As of February 28, 2013

**Title:** An act relating to providing a business and occupation tax exemption for charter schools and nonprofit education service providers.

**Brief Description:** Providing a business and occupation tax exemption for charter schools and nonprofit education service providers.

**Sponsors:** Senators Litzow, Hill, Fain and Tom.

**Brief History:**

**Committee Activity:** Ways & Means:

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Dean Carlson (786-7305)

**Background:** Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the cost of doing business. Revenues are deposited in the state general fund.

In November of 2012, Initiative 1240 passed, authorizing charters schools in Washington.

Under current law, public schools are not subject to the B&O tax on amounts received to provide for the school, nor are they subject to the B&O tax on printed materials used for educational purposes.

**Summary of Bill:** A B&O tax exemption is provided for charter schools as well as nonprofit education service providers under contract with a charter school to the same extent that public schools are exempt.

**Appropriation:** None.

**Fiscal Note:** Requested on February 28, 2013.

**Committee/Commission/Task Force Created:** No.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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