
SENATE BILL 5983

State of Washington

64th Legislature

2015 Regular Session

By Senator Warnick

Read first time 02/13/15. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to services performed by an individual for
2 remuneration; and amending RCW 51.08.195 and 50.04.140.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 51.08.195 and 2008 c 102 s 4 are each amended to
5 read as follows:

6 As an exception to the definition of "employer" under RCW
7 51.08.070 and the definition of "worker" under RCW 51.08.180,
8 services performed by an individual for remuneration shall not
9 constitute employment subject to this title if it is shown that:

10 (1) The individual has been and will continue to be free from
11 control or direction over the performance of the service, both under
12 the contract of service and in fact; and

13 (2) The service is either outside the usual course of business
14 for which the service is performed, or the service is performed
15 outside all of the places of business of the enterprise for which the
16 service is performed, or the individual is responsible, both under
17 the contract and in fact, for the costs of the principal place of
18 business from which the service is performed; and

19 (3) The individual is customarily engaged in an independently
20 established trade, occupation, profession, or business, of the same
21 nature as that involved in the contract of service, or the individual

1 has a principal place of business for the business the individual is
2 conducting that is eligible for a business deduction for federal
3 income tax purposes; and

4 (4) On the effective date of the contract of service, the
5 individual is responsible for filing at the next applicable filing
6 period, both under the contract of service and in fact, a schedule of
7 expenses with the internal revenue service for the type of business
8 the individual is conducting; and

9 (5) On the effective date of the contract of service, or within a
10 reasonable period after the effective date of the contract, the
11 individual has established an account with the department of revenue,
12 and other state agencies as required by the particular case, for the
13 business the individual is conducting for the payment of all state
14 taxes normally paid by employers and businesses and has registered
15 for and received a unified business identifier number from the state
16 of Washington, unless specifically exempted from such requirements by
17 statute; and

18 (6) On the effective date of the contract of service, the
19 individual is maintaining a separate set of books or records that
20 reflect all items of income and expenses of the business which the
21 individual is conducting.

22 **Sec. 2.** RCW 50.04.140 and 1991 c 246 s 6 are each amended to
23 read as follows:

24 Services performed by an individual for remuneration shall be
25 deemed to be employment subject to this title unless and until it is
26 shown to the satisfaction of the commissioner that:

27 (1)(a) Such individual has been and will continue to be free from
28 control or direction over the performance of such service, both under
29 his or her contract of service and in fact; and

30 (b) Such service is either outside the usual course of business
31 for which such service is performed, or that such service is
32 performed outside of all the places of business of the enterprises
33 for which such service is performed; and

34 (c) Such individual is customarily engaged in an independently
35 established trade, occupation, profession, or business, of the same
36 nature as that involved in the contract of service.

37 (2) Or as a separate alternative, it shall not constitute
38 employment subject to this title if it is shown that:

1 (a) Such individual has been and will continue to be free from
2 control or direction over the performance of such service, both under
3 his or her contract of service and in fact; and

4 (b) Such service is either outside the usual course of business
5 for which such service is performed, or that such service is
6 performed outside of all the places of business of the enterprises
7 for which such service is performed, or the individual is
8 responsible, both under the contract and in fact, for the costs of
9 the principal place of business from which the service is performed;
10 and

11 (c) Such individual is customarily engaged in an independently
12 established trade, occupation, profession, or business, of the same
13 nature as that involved in the contract of service, or such
14 individual has a principal place of business for the work the
15 individual is conducting that is eligible for a business deduction
16 for federal income tax purposes; and

17 (d) On the effective date of the contract of service, such
18 individual is responsible for filing at the next applicable filing
19 period, both under the contract of service and in fact, a schedule of
20 expenses with the internal revenue service for the type of business
21 the individual is conducting; and

22 (e) On the effective date of the contract of service, or within a
23 reasonable period after the effective date of the contract, such
24 individual has established an account with the department of revenue,
25 and other state agencies as required by the particular case, for the
26 business the individual is conducting for the payment of all state
27 taxes normally paid by employers and businesses and has registered
28 for and received a unified business identifier number from the state
29 of Washington, unless specifically exempted from such requirements by
30 statute; and

31 (f) On the effective date of the contract of service, such
32 individual is maintaining a separate set of books or records that
33 reflect all items of income and expenses of the business which the
34 individual is conducting.

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