

2SHB 2158 - H AMD 867

By Representative DeBolt

NOT ADOPTED 04/26/2019

1 On page 83, after line 35, strike all material through "was
2 incorrect" on page 94, line 39 and insert the following:

3 "(1)(a) Beginning with business activities occurring on or
4 after January 1, 2020, in addition to the taxes imposed under RCW
5 82.04.290(2), a workforce education investment surcharge is imposed
6 on specified persons.

7 (b) The surcharge is equal to the greater of:

8 (i) The total amount of tax payable by the specified person on
9 business activities taxed under RCW 82.04.290(2), including any
10 additional tax due resulting from any other surcharges on such
11 business activities, but before application of any tax credits,
12 multiplied by the rate of sixty-six and two-thirds percent; or

13 (ii) Three hundred million dollars per year.

14 (2) For the purposes of this section, "specified person" means
15 any person for whom all of the following apply:

16 (a) The person has been registered with the department to do
17 business in Washington state for at least thirty-seven years;

18 (b) At any time after the effective date of this section, the
19 combined employment in this state of the person exceeds forty
20 thousand full-time and part-time employees, based on data reported
21 to the employment security department; and

22 (c) The business activities of the person primarily include
23 development, sales, and licensing of computer software and services.

24 (3) Revenues from the surcharge under this section must be
25 deposited directly into the workforce education investment account
26 established in section 2 of this act.

27

1 (4) The department has the authority to determine through an
2 audit or other investigation whether a person is subject to the
3 surcharge imposed in this section. The department's determination is
4 presumed to be correct unless the person shows by clear, cogent, and
5 convincing evidence that the department's determination was incorrect"

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7 Correct the title.

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EFFECT: (1) Eliminates the 20% surcharge on select
businesses.(2) Eliminates the 33.33% and 66.66% surcharges on
advanced computing businesses.(3) Imposes a surcharge on service
income of specified persons of the greater 66.66% or \$300 million
per year. Persons subject to the surcharge are businesses for whom
all of the following apply:

(a) They have been registered with the Department of Revenue to
do business in Washington state for at least thirty-seven years;

(b) Their combined employment in this state exceeds forty
thousand full-time and part-time employees, based on data reported
to the employment security department; and

(c) Business activities primarily include development, sales,
and licensing of computer software and services.

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