2158-S2 AMH DEBO HARA 204

**2SHB 2158** - H AMD **867**

By Representative DeBolt

**NOT ADOPTED 04/26/2019**

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

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

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

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

(ii) Three hundred million dollars per year.

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

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

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

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

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

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

 Correct the title.

|  |  |
| --- | --- |
|  |  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.  |

**--- END ---**