

E2SHB 2158 - S AMD 842

By Senator Braun

NOT ADOPTED 04/28/2019

1 Beginning on page 83, line 34, strike all of section 74 and
2 insert the following:

3 "NEW SECTION. **Sec. 74.** A new section is added to chapter 82.04
4 RCW to read as follows:

5 (1) Beginning July 1, 2019, an additional rate of tax of 0.3
6 percent is added to the rate provided for in RCW 82.04.255,
7 82.04.285, and 82.04.290(2)(a).

8 (2) The additional rate in subsection (1) of this section does
9 not apply to persons engaging within this state in business as a
10 hospital. "Hospital" has the meaning provided in chapter 70.41 RCW
11 but also includes any hospital that comes within the scope of chapter
12 71.12 RCW if the hospital is also licensed under chapter 70.41 RCW.

13 (3) Revenues received from the additional rate in this section
14 must be deposited into the workforce education investment account
15 created in section 2 of this act.

16 **Sec. 75.** RCW 82.04.4451 and 2010 1st sp.s. c 23 s 1102 are each
17 amended to read as follows:

18 (1) In computing the tax imposed under this chapter, a credit is
19 allowed against the amount of tax otherwise due under this chapter,
20 as provided in this section. Except for taxpayers that report at
21 least fifty percent of their taxable amount under RCW 82.04.255,
22 82.04.290(2)(a), and 82.04.285, the maximum credit for a taxpayer for
23 a reporting period is (~~(thirty-five)~~) one hundred dollars multiplied
24 by the number of months in the reporting period, as determined under
25 RCW 82.32.045. For a taxpayer that reports at least fifty percent of
26 its taxable amount under RCW 82.04.255, 82.04.290(2)(a), and
27 82.04.285, the maximum credit for a reporting period is (~~(seventy)~~)
28 three hundred seventy-five dollars multiplied by the number of months
29 in the reporting period, as determined under RCW 82.32.045.

30 (2) When the amount of tax otherwise due under this chapter is
31 equal to or less than the maximum credit, a credit is allowed equal
32 to the amount of tax otherwise due under this chapter.

1 (3) When the amount of tax otherwise due under this chapter
2 exceeds the maximum credit, a reduced credit is allowed equal to
3 twice the maximum credit, minus the tax otherwise due under this
4 chapter, but not less than zero.

5 (4) The department may prepare a tax credit table consisting of
6 tax ranges using increments of no more than five dollars and a
7 corresponding tax credit to be applied to those tax ranges. The table
8 shall be prepared in such a manner that no taxpayer will owe a
9 greater amount of tax by using the table than would be owed by
10 performing the calculation under subsections (1) through (3) of this
11 section. A table prepared by the department under this subsection
12 must be used by all taxpayers in taking the credit provided in this
13 section."

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14 On page 1, line 8 of the title, after "28B.115.070," strike "and
15 28B.15.621" and insert "28B.15.621, and 82.04.4451"

EFFECT: Replaces surcharge with an additional 0.3 percent B&O rate increase for service-related activities. Increases the small business B&O credit to a level that corresponds approximately to an exclusion of the first \$250,000 of taxable income for taxpayers paying at the primary tax rates.

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