
Finance Committee

HB 2167

Brief Description: Relating to tax revenue.

Sponsors: Representative Tarleton.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Creates tax revenue

Hearing Date: 4/26/19

Staff: Richelle Geiger (786-7139).

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 costs of doing business. Businesses must pay the B&O tax even though they may not have any profits or may be operating at a loss.

A taxpayer may have more than one B&O tax rate, depending on the types of activities conducted. Major B&O tax rates are 0.471 percent for retailing; 0.484 percent for manufacturing, wholesaling, and extracting; and 1.5 percent for services and for activities not classified elsewhere. Financial institutions are subject to the 1.5 percent service and other B&O tax rate.

Summary of Bill:

This act creates tax revenue.

Appropriation: None.

Fiscal Note: Requested on April 25, 2019.

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: The bill takes effect 90 days after adjournment of the session in which the bill is passed.