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**HOUSE BILL 1561**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Jacobsen, Griffey, Schmidt, Riccelli, Eslick, and Ryu

AN ACT Relating to increasing the public utility tax exemption threshold and annually adjusting the threshold for inflation; amending RCW 82.16.040; providing an effective date; and declaring an emergency.

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

**Sec.**  RCW 82.16.040 and 1996 c 111 s 4 are each amended to read as follows:

(1) The provisions of this chapter ((~~shall~~)) do not apply to persons engaging in one or more businesses taxable under this chapter whose total gross income is less than ((~~two thousand dollars~~)) $4,000 for a monthly period or portion thereof.

(2) Any person claiming exemption under this section may be required to file returns even though no tax may be due. If the total gross income for a taxable monthly period is ((~~two thousand dollars~~)) $4,000, or more, no exemption or deductions from the gross operating revenue is allowed by this provision.

(3) The gross income in this section must be adjusted for inflation every year beginning January 1, 2024, based upon changes in the consumer price index that are published by November 15th of the previous year for the most recent 12-month period.

(4) For purposes of this section, "consumer price index" means, for any 12-month period, the average consumer price index for that 12-month period for the Seattle, Washington area for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2023.

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