

SENATE BILL REPORT

SB 5058

AS OF FEBRUARY 18, 1991

Brief Description: Exempting persons engaged in the commercial fishery business from the business and occupation tax.

SPONSORS: Senators Anderson, Snyder, Rasmussen, Roach and Conner.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Terry Wilson (786-7715)

Hearing Dates:

BACKGROUND:

Commercial fishermen are subject to the general state business and occupation tax on the gross proceeds of their businesses. If the fish are sold in Washington, the commercial fisherman is subject to the business and occupation tax under the wholesaling or retailing classification at the rate of .484 percent or .471 percent, respectively. If the fish are sold outside the state, the commercial fisherman is subject to the B&O tax under the extracting classification at the rate of .484 percent but only if the fish were caught in the waters of the state (within three miles of the coast).

In addition, a tax is imposed on the first commercial possession of food fish in Washington State. The tax is imposed on the first possession related to buying, selling, bartering, or processing and is imposed on the value of the fish when first landed. The rates vary from .07 percent on oysters to 5.35 percent on chinook, coho, and chum salmon and anadromous game fish. Persons liable for the tax who are in possession of the fish may deduct from the price paid for the fish an amount equal to 50 percent of the tax. This enables the fish buyer (retailer) to shift 50 percent of the tax to the commercial fisherman (wholesaler).

SUMMARY:

Commercial fishing is exempt from the state business and occupation tax.

Appropriation: none

Revenue: none

Fiscal Note: available