
SENATE BILL 5712

State of Washington

52nd Legislature

1991 Regular Session

By Senators Moore, von Reichbauer, McCaslin and West.

Read first time February 15, 1991. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the business and occupation taxation of stock
2 brokers, broker-dealers, and security houses; and amending RCW
3 82.04.260.

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

5 **Sec. 1.** RCW 82.04.260 and 1990 c 21 s 2 are each amended to read
6 as follows:

7 (1) Upon every person engaging within this state in the business of
8 buying wheat, oats, dry peas, dry beans, lentils, triticale, corn, rye
9 and barley, but not including any manufactured or processed products
10 thereof, and selling the same at wholesale; the tax imposed shall be
11 equal to the gross proceeds derived from such sales multiplied by the
12 rate of one one-hundredth of one percent.

13 (2) Upon every person engaging within this state in the business of
14 manufacturing wheat into flour, barley into pearl barley, soybeans into
15 soybean oil, or sunflower seeds into sunflower oil; as to such persons

1 the amount of tax with respect to such business shall be equal to the
2 value of the flour, pearl barley, or oil manufactured, multiplied by
3 the rate of one-eighth of one percent.

4 (3) Upon every person engaging within this state in the business of
5 splitting or processing dried peas; as to such persons the amount of
6 tax with respect to such business shall be equal to the value of the
7 peas split or processed, multiplied by the rate of one-quarter of one
8 percent.

9 (4) Upon every person engaging within this state in the business of
10 manufacturing seafood products which remain in a raw, raw frozen, or
11 raw salted state at the completion of the manufacturing by that person;
12 as to such persons the amount of tax with respect to such business
13 shall be equal to the value of the products manufactured, multiplied by
14 the rate of one-eighth of one percent.

15 (5) Upon every person engaging within this state in the business of
16 manufacturing by canning, preserving, freezing or dehydrating fresh
17 fruits and vegetables; as to such persons the amount of tax with
18 respect to such business shall be equal to the value of the products
19 canned, preserved, frozen or dehydrated multiplied by the rate of
20 three-tenths of one percent.

21 (6) Upon every nonprofit corporation and nonprofit association
22 engaging within this state in research and development, as to such
23 corporations and associations, the amount of tax with respect to such
24 activities shall be equal to the gross income derived from such
25 activities multiplied by the rate of forty-four one-hundredths of one
26 percent.

27 (7) Upon every person engaging within this state in the business
28 of slaughtering, breaking and/or processing perishable meat products
29 and/or selling the same at wholesale only and not at retail; as to such
30 persons the tax imposed shall be equal to the gross proceeds derived

1 from such sales multiplied by the rate of twenty-five one-hundredths of
2 one percent through June 30, 1986, and one-eighth of one percent
3 thereafter.

4 (8) Upon every person engaging within this state in the business
5 of making sales, at retail or wholesale, of nuclear fuel assemblies
6 manufactured by that person, as to such persons the amount of tax with
7 respect to such business shall be equal to the gross proceeds of sales
8 of the assemblies multiplied by the rate of twenty-five one-hundredths
9 of one percent.

10 (9) Upon every person engaging within this state in the business
11 of manufacturing nuclear fuel assemblies, as to such persons the amount
12 of tax with respect to such business shall be equal to the value of the
13 products manufactured multiplied by the rate of twenty-five one-
14 hundredths of one percent.

15 (10) Upon every person engaging within this state in the business
16 of acting as a travel agent; as to such persons the amount of the tax
17 with respect to such activities shall be equal to the gross income
18 derived from such activities multiplied by the rate of twenty-five one-
19 hundredths of one percent.

20 (11) Upon every person engaging within this state in business as
21 an international steamship agent, international customs house broker,
22 international freight forwarder, vessel and/or cargo charter broker in
23 foreign commerce, and/or international air cargo agent; as to such
24 persons the amount of the tax with respect to only international
25 activities shall be equal to the gross income derived from such
26 activities multiplied by the rate of thirty-three one-hundredths of one
27 percent.

28 (12) Upon every person engaging within this state in the business
29 of stevedoring and associated activities pertinent to the movement of
30 goods and commodities in waterborne interstate or foreign commerce; as

1 to such persons the amount of tax with respect to such business shall
2 be equal to the gross proceeds derived from such activities multiplied
3 by the rate of thirty-three one hundredths of one percent. Persons
4 subject to taxation under this subsection shall be exempt from payment
5 of taxes imposed by chapter 82.16 RCW for that portion of their
6 business subject to taxation under this subsection. Stevedoring and
7 associated activities pertinent to the conduct of goods and commodities
8 in waterborne interstate or foreign commerce are defined as all
9 activities of a labor, service or transportation nature whereby cargo
10 may be loaded or unloaded to or from vessels or barges, passing over,
11 onto or under a wharf, pier, or similar structure; cargo may be moved
12 to a warehouse or similar holding or storage yard or area to await
13 further movement in import or export or may move to a consolidation
14 freight station and be stuffed, unstuffed, containerized, separated or
15 otherwise segregated or aggregated for delivery or loaded on any mode
16 of transportation for delivery to its consignee. Specific activities
17 included in this definition are: Wharfage, handling, loading,
18 unloading, moving of cargo to a convenient place of delivery to the
19 consignee or a convenient place for further movement to export mode;
20 documentation services in connection with the receipt, delivery,
21 checking, care, custody and control of cargo required in the transfer
22 of cargo; imported automobile handling prior to delivery to consignee;
23 terminal stevedoring and incidental vessel services, including but not
24 limited to plugging and unplugging refrigerator service to containers,
25 trailers, and other refrigerated cargo receptacles, and securing ship
26 hatch covers.

27 (13) Upon every person engaging within this state in the business
28 of disposing of low-level waste, as defined in RCW 43.145.010; as to
29 such persons the amount of the tax with respect to such business shall
30 be equal to the gross income of the business, excluding any fees

1 imposed under chapter 43.200 RCW, multiplied by the rate of fifteen
2 percent.

3 (a) The rate specified in this subsection shall be reduced to ten
4 percent upon the effective date of legislation adopted pursuant to RCW
5 81.04.520 governing regulation of the business of low-level radioactive
6 waste disposal.

7 (b) The rate specified in this subsection shall be further reduced
8 to five percent on January 1, 1992, if (a) of this subsection has taken
9 effect.

10 If the gross income of the taxpayer is attributable to activities
11 both within and without this state, the gross income attributable to
12 this state shall be determined in accordance with the methods of
13 apportionment required under RCW 82.04.460.

14 (14) Upon every person engaging within this state as an insurance
15 agent, insurance broker, or insurance solicitor licensed under chapter
16 48.17 RCW; as to such persons, the amount of the tax with respect to
17 such licensed activities shall be equal to the gross income of such
18 business multiplied by the rate of one percent.

19 (15) Upon every person engaging within this state as a stock
20 broker, broker-dealer, or security house licensed under chapter 21.20
21 RCW; as to these persons, the amount of the tax with respect to the
22 licensed activities shall be equal to the gross income of the business
23 multiplied by the rate of one percent. The measure of tax on
24 commissions earned by a stock broker, broker-dealer, or security house
25 shall be the gross commission retained by that particular broker,
26 broker-dealer, or house after the particular broker, broker-dealer or
27 house has paid any other broker, broker-dealer, or house a portion of
28 the gross commission which the broker, broker-dealer, or house was
29 legally required to pay pursuant to a contract or other agreement in
30 existence prior to the transaction on which the commission was earned.

1 The measure of tax on the commissions is not reduced for an amount paid
2 to another broker, broker-dealer, or house unless the other person or
3 entity is subject to the tax imposed by this subsection on the amount
4 so paid.