

CERTIFICATION OF ENROLLMENT
SUBSTITUTE HOUSE BILL 2132

Chapter 275, Laws of 1991

52nd Legislature
1991 Regular Session

BUSINESS AND OCCUPATION TAX EXEMPTION FOR LIFE INSURANCE
SALESPERSONS

EFFECTIVE DATE: 7/1/91

Passed by the House March 19, 1991
Yeas 97 Nays 1

JOE KING
Speaker of the
House of Representatives

Passed by the Senate April 15, 1991
Yeas 45 Nays 3

JOEL PRITCHARD
President of the Senate

Approved May 20, 1991

BOOTH GARDNER
Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2132** as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON
Chief Clerk

FILED

May 20, 1991 - 10:47 a.m.

Secretary of State
State of Washington

SUBSTITUTE HOUSE BILL 2132

Passed Legislature - 1991 Regular Session

State of Washington

52nd Legislature

1991 Regular Session

By House Committee on Revenue (originally sponsored by Representatives Wang, Holland, Morris, Silver, Appelwick, McLean, May, Zellinsky and Bowman).

Read first time March 6, 1991.

1 AN ACT Relating to business and occupation taxation of insurance
2 salespersons; amending RCW 82.04.360; creating a new section; providing
3 an effective date; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds:

6 (a) The existing state policy is to exempt employees from the
7 business and occupation tax.

8 (b) It has been difficult to distinguish, for business and
9 occupation tax purposes, between independent contractors and employees
10 who are in the business of selling life insurance. The tests commonly
11 used by the department of revenue to determine tax status have not
12 successfully differentiated employees from independent contractors when
13 applied to the life insurance industry.

14 (2) The intent of this act is to apply federal tax law and rules to
15 distinguish between employees and independent contractors for business

1 and occupation tax purposes, solely for the unique business of selling
2 life insurance.

3 **Sec. 2.** RCW 82.04.360 and 1961 c 15 s 82.04.360 are each amended
4 to read as follows:

5 This chapter shall not apply to any person in respect to his
6 employment in the capacity of an employee or servant as distinguished
7 from that of an independent contractor. For the purposes of this
8 section, the definition of employee shall include those persons that
9 are defined in Section 3121(d)(3)(B) of the Internal Revenue Code of
10 1986, as amended through January 1, 1991.

11 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and shall take
14 effect July 1, 1991.

Passed the House March 19, 1991.

Passed the Senate April 15, 1991.

Approved by the Governor May 20, 1991.

Filed in Office of Secretary of State May 20, 1991.