

2 **HB 2089 - H AMD 706 4/13/95 WITHDRAWN**

3 By Representative Chappell

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6 On page 22, after line 24, insert the following:

7 "NEW SECTION. **Sec. 19.** A new section is added to chapter 82.04
8 RCW to read as follows:

9 (1) This chapter does not apply to a new business, with less than
10 fifteen employees, during the first sixty months of operation of the
11 business. During the next sixty months of operation of the business,
12 the business is exempt from taxes due under this chapter according to
13 the following schedule:

	<u>Year</u>	<u>Exemption</u>
14	6	50%
15	7	40%
16	8	30%
17	9	20%
18	10	10%
19	after 10	0%

21 The business is not eligible for the exemption under this section
22 after the one hundred twentieth month of operation.

23 (2) As used in this section:

24 (a) "New business" means a business that obtained or was required
25 to obtain a registration certificate under RCW 82.32.030 for the first
26 time during the calendar year for which exemption is first claimed
27 under this chapter.

28 (b) "New business" does not include:

29 (i) A business that has been restructured, reorganized, or
30 transferred, unless the majority of the activities to be conducted
31 after restructuring, reorganization, or transferral are significantly
32 different from the activities previously conducted;

33 (ii) A new branch location or other facility except by an existing
34 out-of-state entity first doing business in this state;

1 (iii) A business that is substantially similar to a business
2 currently operated, or operated within the past five years, by the same
3 principals.

4 The department may require a new business to certify its status as
5 part of its master business application, or with the first tax return
6 claiming exemption under this section."

7 Renumber remaining sections consecutively and correct internal
8 references.

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