

2 **HB 2089** - H AMD TO H AMD (H-3080.1/95) **855 WITHDRAWN 4/13/95**
3 By Representative Chappell

4

5 On page 22, after line 6 of the amendment, insert the following:

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

8 (1) During the first sixty months of operation, a new business with
9 fewer than ten employees is exempt from taxes due under this chapter
10 according to the following schedule:

	<u>Year</u>	<u>Exemption</u>
11		
12	1	50%
13	2	50%
14	3	50%
15	4	35%
16	5	20%
17	after 5	0%

18 A business is not eligible for exemption under this section after
19 the sixtieth month of operation.

20 (2) As used in this section:

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

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

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

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

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

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

4 Renumber remaining sections consecutively and correct internal
5 references.

--- END ---