

1 **HB 2089 - H AMD 831 ADOPTED 4/13/95**

2 By Representative Chappell

3 On page 22, after line 24, insert:

4 "NEW SECTION. **Sec. 19.** A new section is added to chapter
5 82.04 RCW to read as follows:

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

<u>Year</u>	<u>Exemption</u>
1	50%
2	50%
3	50%
4	35%
5	20%
after 5	0%

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

18 (2) As used in this section:

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

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

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

28 (ii) A new branch location or other facility except by an
29 existing 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
3 same principals.

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

7
8 Renumber remaining sections consecutively and correct internal
9 references.