

2 **SSB 5739 - H COMM AMD ADOPTED 4/12/95**

3 By Committee on Finance

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5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 82.04.365 and 1979 ex.s. c 196 s 7 are each amended
8 to read as follows:

9 BAZAARS, RUMMAGE SALES, MEALS, AND LIBRARY SALES--BUSINESS AND
10 OCCUPATION TAX EXEMPTION. (1) This chapter does not apply to (~~amounts~~
11 ~~derived~~) the first thirty-five thousand dollars received in a calendar
12 year by a nonprofit organization as a result of conducting or
13 participating in a bazaar or rummage sale if:

14 (a) The organization does not conduct or participate in more than
15 (~~two~~) twelve bazaars or rummage sales per year; and

16 (b) Each bazaar or rummage sale does not extend over a period of
17 more than (~~two~~) five days(~~; and~~

18 ~~(c) The gross income received by each organization from each bazaar~~
19 ~~or rummage sale does not exceed one thousand dollars~~)).

20 (2) This chapter does not apply to the first fifty thousand dollars
21 received in a calendar year by a nonprofit organization as a result of
22 meal-serving events for fund-raising purposes, if:

23 (a) Each meal-serving event occurs no more than one day every two
24 weeks; or

25 (b) Each meal-serving event does not extend over a period of more
26 than five days and is held no more frequently than three times per
27 year.

28 (3) This chapter does not apply to the first thirty-five thousand
29 dollars received in a calendar year by a nonprofit organization from
30 sales of used books, used videos, used sound recordings, or similar
31 used information products, if substantially all of the net proceeds
32 from the sales are used to support a library as defined in RCW
33 27.12.010.

34 (4) For purposes of this section, "nonprofit organization" means an
35 organization that meets all of the following criteria:

1 (a) The members, stockholders, officers, directors, or trustees of
2 the organization do not receive any part of the organization's gross
3 income, except as payment for services rendered;

4 (b) The compensation received by any person for services rendered
5 to the organization does not exceed an amount reasonable under the
6 circumstances; and

7 (c) The activities of the organization do not include a substantial
8 amount of political activity, including but not limited to influencing
9 legislation and participation in any campaign on behalf of any
10 candidate for political office.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
12 to read as follows:

13 BAZAARS, RUMMAGE SALES, MEALS, AND LIBRARY SALES--SALES TAX
14 EXEMPTION. The tax levied by RCW 82.08.020 does not apply to a sale
15 made by a nonprofit organization if the gross income from the sale is
16 exempt under RCW 82.04.365.

17 **Sec. 3.** RCW 82.04.366 and 1991 c 51 s 1 are each amended to read
18 as follows:

19 AUCTIONS--BUSINESS AND OCCUPATION TAX EXEMPTION. (1) This chapter
20 does not apply to amounts received by a public benefit nonprofit
21 organization from sales at an auction that the organization conducts or
22 participates in, if:

23 (a) The organization does not conduct or participate in more than
24 (~~one~~) two auctions per year; and

25 (b) The auction does not extend over a period of more than (~~two~~)
26 five days.

27 (2) As used in this section, "public benefit nonprofit
28 organization" means an organization exempt from tax under section
29 501(c)(3) of the federal internal revenue code, as in effect on January
30 1, 1991, or a subsequent date provided by the director by rule
31 consistent with the purpose of this section.

32 **Sec. 4.** RCW 82.08.02571 and 1991 c 51 s 2 are each amended to read
33 as follows:

34 AUCTIONS--SALES TAX EXEMPTION. (1) The tax levied by RCW 82.08.020
35 does not apply to sales made by a public benefit nonprofit organization
36 at an auction that the organization conducts or participates in, if:

1 (a) The organization does not conduct or participate in more than
2 (~~one~~) two auctions per year; and

3 (b) The auction does not extend over a period of more than (~~two~~)
4 five days.

5 (2) As used in this section, "public benefit nonprofit
6 organization" means an organization exempt from tax under section
7 501(c)(3) of the federal internal revenue code, as in effect on January
8 1, 1991, or a subsequent date provided by the director by rule
9 consistent with the purpose of this section.

10 NEW SECTION. Sec. 5. CAPTIONS. Captions as used in this act
11 constitute no part of the law.

12 NEW SECTION. Sec. 6. EFFECTIVE DATE. This act is necessary for
13 the immediate preservation of the public peace, health, or safety, or
14 support of the state government and its existing public institutions,
15 and shall take effect July 1, 1995."

16 Correct the title accordingly.

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