

2 **EHB 1023** - S AMD - 459

3 By Senators Roach, Anderson, A., Palmer, Strannigan, McDonald,
4 Morton, Hale, Johnson, West, Hochstatter, Cantu, Oke, Wood,
5 Finkbeiner

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7 On page . . . , after line . . . , following Sec. 3, insert the
8 following:

9 "NEW SECTION. **Sec. . . .** The legislature finds that property owners
10 often hire property management companies to manage their real property.
11 Frequently, the property management companies also manage the personnel
12 who perform the necessary services at the property location. The
13 property management company is merely acting as a conduit for the
14 property owner's payment to the personnel at the property site.

15 Section . . . of this act is intended to clarify that the business
16 and occupation tax does not apply to amounts received by a property
17 management company and paid to on-site personnel. Section . . . of
18 this act is not intended to modify the taxation of amounts received by
19 a property management company for purposes other than payment to on-
20 site personnel.

21 NEW SECTION. **Sec. . . .** A new section is added to chapter 82.04 RCW
22 to read as follows:

23 This chapter shall not apply to amounts received by a property
24 management company from the owner of a property for gross wages and
25 benefits paid to or on behalf of on-site personnel if the on-site
26 personnel are paid through use of trust accounts, dedicated bank
27 accounts, or paymaster accounts established for this purpose by the
28 property management company. As used in this section, "on-site
29 personnel" means a person who meets all of the following conditions:
30 (1) The person works at the owner's property; (2) the person's duties
31 include leasing property units, maintaining the property, collecting
32 rents, or similar activities; and (3) pursuant to a written property
33 management agreement, the person's compensation is the obligation of
34 the property owner and not the property manager."

1 Renumber the remaining sections consecutively and correct any
2 internal references accordingly.

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8 On page . . ., after line . . . of the title, after ". . ." insert
9 ". . ."

10 EFFECT: Clarifies that the business and occupation tax does not
11 apply to amounts received by a property management company and paid for
12 on-site personnel.

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