
HOUSE BILL 1959

State of Washington 58th Legislature 2003 Regular Session

By Representatives McDonald, Kirby, Shabro, Kristiansen and Condotta

Read first time 02/18/2003. Referred to Committee on Finance.

1 AN ACT Relating to increasing the business and occupation tax
2 credit for small businesses; amending RCW 82.04.4451; providing an
3 effective date; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.04.4451 and 1997 c 238 s 2 are each amended to read
6 as follows:

7 (1) In computing the tax imposed under this chapter, a credit is
8 allowed against the amount of tax otherwise due under this chapter, as
9 provided in this section.

10 (a) For calendar year 2004, the maximum credit for a taxpayer for
11 a reporting period is ((thirty-five)) fifty dollars multiplied by the
12 number of months in the reporting period, as determined under RCW
13 82.32.045.

14 (b) For a calendar year following calendar year 2004, the maximum
15 credit for a reporting period is equal the maximum credit amount under
16 (a) of this subsection multiplied by the increase in the consumer price
17 index, and rounded to the nearest dollar. On September 30, 2004, and
18 on each following September 30th, the department shall calculate the
19 increase in the consumer price index using the consumer price index for

1 all urban consumers within the Seattle-Tacoma-Bremerton consolidated
2 metropolitan statistical area, or a successor index, as published by
3 the United States department of labor, for the preceding calendar year
4 compared to the index for calendar year 2002.

5 (2) When the amount of tax otherwise due under this chapter is
6 equal to or less than the maximum credit, a credit is allowed equal to
7 the amount of tax otherwise due under this chapter.

8 (3) When the amount of tax otherwise due under this chapter exceeds
9 the maximum credit, a reduced credit is allowed equal to twice the
10 maximum credit, minus the tax otherwise due under this chapter, but not
11 less than zero.

12 (4) The department may prepare a tax credit table consisting of tax
13 ranges using increments of no more than five dollars and a
14 corresponding tax credit to be applied to those tax ranges. The table
15 shall be prepared in such a manner that no taxpayer will owe a greater
16 amount of tax by using the table than would be owed by performing the
17 calculation under subsections (1) through (3) of this section. A table
18 prepared by the department under this subsection shall be used by all
19 taxpayers in taking the credit provided in this section.

20 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
21 preservation of the public peace, health, or safety, or support of the
22 state government and its existing public institutions, and takes effect
23 July 1, 2003.

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