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HOUSE BILL 2659

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State of Washington                      58th Legislature                      2004 Regular Session

By Representatives Cairnes, McCoy, Carrell, Blake, O'Brien,  
Upthegrove and Lantz

Read first time 01/19/2004. Referred to Committee on Finance.

1            AN ACT Relating to general license fees; and adding a new section  
2 to chapter 35.21 RCW.

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

4            NEW SECTION.    **Sec. 1.** A new section is added to chapter 35.21 RCW  
5 to read as follows:

6            (1) A city may charge a general license fee upon a person for  
7 registration or certification purposes that ensures efficient  
8 administration of the city's business taxes.

9            (2) A city may only charge a person the general license fee  
10 provided in subsection (1) of this section when:

11            (a) The person's gross income earned within the geographical  
12 boundaries of the city triggers the city's gross receipts tax;

13            (b) The person engages in business activities within the  
14 geographical boundaries of the city for more than one hundred hours in  
15 a calendar year; or

16            (c) The person maintains a direct physical presence within the  
17 geographical boundaries of the city. For the purposes of this  
18 subsection, "direct physical presence" means:

1 (i) Maintaining, occupying, or using a permanent building or  
2 facility, or fixed location as an office or location for conducting  
3 business;

4 (ii) A location where the regular business of the taxpayer is  
5 conducted and which is either owned by the taxpayer or over which the  
6 taxpayer exercises legal dominion and control; and

7 (iii) A place where the taxpayer holds himself or herself out to do  
8 business with the public at large.

9 (3) The rate of the general license fee provided in subsection (1)  
10 of this section must be applied uniformly among all persons regardless  
11 of employment levels, gross receipts, type of business, square footage,  
12 or any other measure and not exceed the equivalent of one hundred  
13 dollars per calendar year.

14 (4) Nothing in this section prohibits a city from charging license  
15 fees on persons for a regulatory or similar nonrevenue generating  
16 purpose.

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