
SENATE BILL 5058

State of Washington 58th Legislature 2003 Regular Session

By Senators Franklin, Eide and Thibaudeau

Read first time 01/13/2003. Referred to Committee on Ways & Means.

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

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. The maximum credit for a taxpayer for a
10 reporting period is (~~(thirty-five)~~) seventy dollars multiplied by the
11 number of months in the reporting period, as determined under RCW
12 82.32.045.

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

16 (3) When the amount of tax otherwise due under this chapter exceeds
17 the maximum credit, a reduced credit is allowed equal to twice the
18 maximum credit, minus the tax otherwise due under this chapter, but not
19 less than zero.

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

9 (5) Beginning in calendar year 2004, the department shall increase
10 the monthly dollar amount under subsection (1) of this section in use
11 for that calendar year by the consumer price index. If any increase
12 under this subsection is not a multiple of one dollar, the increase
13 shall be rounded to the next lowest multiple of one dollar. The
14 monthly amount determined under this subsection shall be used for
15 reporting periods in the next calendar year.

16 (6) As used in this section, "consumer price index" means the
17 consumer price index compiled by the bureau of labor statistics, United
18 States department of labor for the state of Washington. If the bureau
19 of labor statistics develops more than one consumer price index for
20 areas within the state, the index covering the greatest number of
21 people, covering areas exclusively within the boundaries of the state,
22 and including all items shall be used.

23 NEW SECTION. Sec. 2. This act takes effect January 1, 2004.

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