
SENATE BILL 6230

State of Washington

58th Legislature

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By Senators Franklin, Winsley, Shin, Kastama, Eide, Thibaudeau, Kohl-Welles, McAuliffe and Rasmussen

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1 AN ACT Relating to business and occupation tax of small businesses;
2 amending RCW 82.04.4451 and 82.32.045; and providing an effective date.

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

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

6 (1) In computing the tax imposed under this chapter, a credit is
7 allowed against the amount of tax otherwise due under this chapter, as
8 provided in this section. The maximum credit for a taxpayer for a
9 reporting period is (~~(thirty-five)~~) seventy dollars multiplied by the
10 number of months in the reporting period, as determined under RCW
11 82.32.045.

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

15 (3) When the amount of tax otherwise due under this chapter exceeds
16 the maximum credit, a reduced credit is allowed equal to twice the
17 maximum credit, minus the tax otherwise due under this chapter, but not
18 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 2005, 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 **Sec. 2.** RCW 82.32.045 and 2003 1st sp.s. c 13 s 8 are each amended
24 to read as follows:

25 (1) Except as otherwise provided in this chapter, payments of the
26 taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, and 82.16 RCW,
27 along with reports and returns on forms prescribed by the department,
28 are due monthly within twenty days after the end of the month in which
29 the taxable activities occur.

30 (2) The department of revenue may relieve any taxpayer or class of
31 taxpayers from the obligation of remitting monthly and may require the
32 return to cover other longer reporting periods, but in no event may
33 returns be filed for a period greater than one year. For these
34 taxpayers, tax payments are due on or before the last day of the month
35 next succeeding the end of the period covered by the return.

36 (3) The department of revenue may also require verified annual

1 returns from any taxpayer, setting forth such additional information as
2 it may deem necessary to correctly determine tax liability.

3 (4) Notwithstanding subsections (1) and (2) of this section, the
4 department may relieve any person of the requirement to file returns if
5 the following conditions are met:

6 (a) The person's value of products, gross proceeds of sales, or
7 gross income of the business, from all business activities taxable
8 under chapter 82.04 RCW, is less (~~(than twenty-eight thousand dollars)~~)
9 per year than the maximum credit under RCW 82.04.4451(1) for a year
10 divided by the tax rate for other business services under RCW
11 82.04.290(2);

12 (b) The person's gross income of the business from all activities
13 taxable under chapter 82.16 RCW is less than twenty-four thousand
14 dollars per year; and

15 (c) The person is not required to collect or pay to the department
16 of revenue any other tax or fee which the department is authorized to
17 collect.

18 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2005.

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