
HOUSE BILL 1675

State of Washington

59th Legislature

2005 Regular Session

By Representatives Orcutt, Armstrong, Clements, Dunn, Newhouse, Serben, Curtis, McDonald, Condotta, Bailey, Ahern, McCune, Hinkle, Alexander, Cox, Shabro, Rodne, Holmquist, Schindler, Skinner, Buck, Kretz, Haler, Ericksen, Woods, Kristiansen, Campbell, Strow, Crouse, Pearson and Talcott

Read first time 02/01/2005. Referred to Committee on Economic Development, Agriculture & Trade.

1 AN ACT Relating to revising excise tax provisions to encourage
2 small business; amending RCW 82.32.030, 82.04.4451, and 82.32.045;
3 providing an effective date; creating a new section; and declaring an
4 emergency.

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

6 **Sec. 1.** RCW 82.32.030 and 1996 c 111 s 2 are each amended to read
7 as follows:

8 (1) Except as provided in subsection (2) of this section, if any
9 person engages in any business or performs any act upon which a tax is
10 imposed by the preceding chapters, he or she shall, under such rules as
11 the department of revenue shall prescribe, apply for and obtain from
12 the department a registration certificate. Such registration
13 certificate shall be personal and nontransferable and shall be valid as
14 long as the taxpayer continues in business and pays the tax accrued to
15 the state. In case business is transacted at two or more separate
16 places by one taxpayer, a separate registration certificate for each
17 place at which business is transacted with the public shall be
18 required. Each certificate shall be numbered and shall show the name,
19 residence, and place and character of business of the taxpayer and such

1 other information as the department of revenue deems necessary and
2 shall be posted in a conspicuous place at the place of business for
3 which it is issued. Where a place of business of the taxpayer is
4 changed, the taxpayer must return to the department the existing
5 certificate, and a new certificate will be issued for the new place of
6 business. No person required to be registered under this section shall
7 engage in any business taxable hereunder without first being so
8 registered. The department, by rule, may provide for the issuance of
9 certificates of registration to temporary places of business.

10 (2) Unless the person is a dealer as defined in RCW 9.41.010,
11 registration under this section is not required if the following
12 conditions are met:

13 (a) A person's value of products, gross proceeds of sales, or gross
14 income of the business, from all business activities taxable under
15 chapter 82.04 RCW, is less than (~~twelve~~) twenty-eight thousand
16 dollars per year;

17 (b) The person's gross income of the business from all activities
18 taxable under chapter 82.16 RCW is less than (~~twelve~~) twenty-eight
19 thousand dollars per year;

20 (c) The person is not required to collect or pay to the department
21 of revenue any other tax or fee which the department is authorized to
22 collect; and

23 (d) The person is not otherwise required to obtain a license
24 subject to the master application procedure provided in chapter 19.02
25 RCW.

26 **Sec. 2.** RCW 82.04.4451 and 1997 c 238 s 2 are each amended to read
27 as follows:

28 (1) In computing the tax imposed under this chapter, a credit is
29 allowed against the amount of tax otherwise due under this chapter, as
30 provided in this section. The maximum credit for a taxpayer for a
31 reporting period is (~~thirty-five~~) seventy dollars multiplied by the
32 number of months in the reporting period, as determined under RCW
33 82.32.045.

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

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

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

13 **Sec. 3.** RCW 82.32.045 and 2003 1st sp.s. c 13 s 8 are each amended
14 to read as follows:

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

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

26 (3) The department of revenue may also require verified annual
27 returns from any taxpayer, setting forth such additional information as
28 it may deem necessary to correctly determine tax liability.

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

32 (a) The person's value of products, gross proceeds of sales, or
33 gross income of the business, from all business activities taxable
34 under chapter 82.04 RCW, is less than (~~twenty-eight~~) fifty-six
35 thousand dollars per year;

36 (b) The person's gross income of the business from all activities

1 taxable under chapter 82.16 RCW is less than twenty-four thousand
2 dollars per year; and

3 (c) The person is not required to collect or pay to the department
4 of revenue any other tax or fee which the department is authorized to
5 collect.

6 NEW SECTION. **Sec. 4.** Section 2 of this act applies to the entire
7 reporting period for reporting periods ending after July 1, 2005.

8 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
9 preservation of the public peace, health, or safety, or support of the
10 state government and its existing public institutions, and takes effect
11 July 1, 2005.

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