
Finance Committee

HB 1227

Brief Description: Modifying provisions relating to the business and occupation taxation of mortgage brokers.

Sponsors: Representatives Ericks, Orcutt, Santos, Roach, Kirby, Rodne, Strow, Simpson, P. Sullivan, Priest, Kelley, Wallace, Kenney, McDonald and Moeller.

Brief Summary of Bill

- Reduces the business and occupation tax rate for licensed mortgage brokers from 1.5 percent to 0.484 percent.

Hearing Date: 1/31/07

Staff: Rick Peterson (786-7150).

Background:

Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. The tax is imposed on the gross receipts from all business activities conducted within the state. Revenues are deposited in the State General Fund. There are several rate categories, and a business may be subject to more than one B&O tax rate, depending on the types of activities conducted.

Mortgage brokers make residential mortgage loans or assist people to obtain or apply for residential mortgage loans. Mortgage brokers pay B&O tax at the 1.5 percent services tax rate.

Summary of Bill:

The B&O tax rate for licensed mortgage brokers is reduced to 0.484 percent.

Appropriation: None.

Fiscal Note: Available.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Effective Date: The bill takes effect on January 1, 2008.