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SENATE BILL 5667

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State of Washington                      60th Legislature                      2007 Regular Session

By Senators Franklin, Eide, Rasmussen, Kilmer, Regala, Marr and Shin

Read first time 01/29/2007.      Referred to Committee on Economic Development, Trade & Management.

1            AN ACT Relating to excise tax relief for small businesses; and  
2 amending RCW 82.04.4451 and 82.32.045.

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 dollars plus any increase made pursuant  
10 to subsection (5) of this section, multiplied by the number of months  
11 in the reporting period, as determined under RCW 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) Annually, beginning in calendar year 2008, the amount used to  
10 calculate the maximum credit for a reporting period in subsection (1)  
11 of this section shall be increased by the fiscal growth factor for the  
12 fiscal year that ends June 30th of the prior calendar year. If any  
13 increase under this subsection is not a multiple of one dollar, the  
14 increase shall be rounded to the next multiple of one dollar. If the  
15 fiscal growth factor is a negative number, the maximum credit amount  
16 for the following year will remain the same as the previous year.

17 (6) For the purposes of this section, "fiscal growth factor" has  
18 the meaning provided in RCW 43.135.025.

19 **Sec. 2.** RCW 82.32.045 and 2006 c 256 s 1 are each amended to read  
20 as follows:

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

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

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

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

1           (a) The person's value of products, gross proceeds of sales, or  
2 gross income of the business, from all business activities taxable  
3 under chapter 82.04 RCW, is less than (~~twenty-eight thousand dollars~~  
4 ~~per year~~) an amount equal to the maximum credit specified in RCW  
5 82.04.4451(1) multiplied by the quotient of twelve and the tax rate  
6 specified in RCW 82.04.290(2);

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

10          (c) The person is not required to collect or pay to the department  
11 of revenue any other tax or fee which the department is authorized to  
12 collect.

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