
SENATE BILL 6081

State of Washington

61st Legislature

2009 Regular Session

By Senator Franklin

Read first time 02/23/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to studying a subtraction method business value
2 added tax as an alternative to the business and occupation tax; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that the
6 pyramiding effect of the business and occupation tax favors vertically
7 integrated businesses and impedes the success of new and small
8 businesses in the state. The legislature concludes that a study of the
9 value added tax is necessary to identify alternatives to the business
10 and occupation tax.

11 (2) The department of revenue must conduct a study on alternatives
12 for replacing the business and occupation tax with a revenue neutral
13 subtraction method business value added tax. In conducting the study,
14 the department must examine the tax structures of other states and
15 review previous studies regarding tax reform in this state. The
16 department of revenue must be guided by administrative simplicity,
17 economic neutrality, fairness, stability, and transparency.

18 (3) The department of revenue must create an advisory group to
19 include, but not be limited to, representatives of business, state

1 agencies, local governments, labor, taxpayers, and other advocacy
2 groups. The group shall provide advice and assistance to the
3 department.

4 (4) The department of revenue must present a final report of its
5 findings and alternatives, including a legislative draft proposal, to
6 the ways and means committee in the senate and the finance committee in
7 the house of representatives by September 30, 2009.

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