
SENATE BILL 6576

State of Washington 61st Legislature 2010 Regular Session

By Senators Kohl-Welles, Rockefeller, Keiser, McDermott, Fairley, Regala, and Kline

Read first time 01/18/10. Referred to Committee on Ways & Means.

1 AN ACT Relating to limiting the business and occupation tax
2 deduction for dues and fees to certain nonprofits exempt from federal
3 income tax; amending RCW 82.04.4282; and providing an effective date.

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

5 **Sec. 1.** RCW 82.04.4282 and 2009 c 535 s 410 are each amended to
6 read as follows:

7 In computing tax there may be deducted from the measure of tax
8 amounts derived from bona fide (1) dues and initiation fees paid to
9 nonprofit organizations exempt from the federal income tax under Title
10 26 U.S.C. Sec. 501(c)(3), (c)(4), (c)(5), (c)(6), (c)(8), (c)(10), or
11 (c)(19) of the federal internal revenue code, as amended as of January
12 1, 2010, (2) (~~dues, (3)~~) contributions, ((+4)) (3) donations,
13 ((+5)) (4) tuition fees, ((+6)) (5) charges made by a nonprofit trade
14 or professional organization for attending or occupying space at a
15 trade show, convention, or educational seminar sponsored by the
16 nonprofit trade or professional organization, which trade show,
17 convention, or educational seminar is not open to the general public,
18 ((+7)) (6) charges made for operation of privately operated
19 kindergartens, and ((+8)) (7) endowment funds. This section may not

1 be construed to exempt any person, association, or society from tax
2 liability upon selling tangible personal property, digital goods,
3 digital codes, or digital automated services, or upon providing
4 facilities or other services for which a special charge is made to
5 members or others. If dues are in exchange for any significant amount
6 of goods or services rendered by the recipient thereof to members
7 without any additional charge to the member, or if the dues are
8 graduated upon the amount of goods or services rendered, the value of
9 such goods or services (~~shall~~) may not be considered as a deduction
10 under this section.

11 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2010.

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