
SENATE BILL 6585

State of Washington

61st Legislature

2010 Regular Session

By Senator Holmquist

Read first time 01/18/10. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to defining individuals eligible for benefits under
2 workers' compensation and unemployment insurance; and amending RCW
3 50.04.145, 51.08.181, and 51.08.195.

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

5 **Sec. 1.** RCW 50.04.145 and 2008 c 102 s 1 are each amended to read
6 as follows:

7 The term "employment" shall not include services which require
8 registration under chapter 18.27 RCW or licensing under chapter 19.28
9 RCW rendered by an individual when:

10 (1) The individual has been and will continue to be free from
11 control or direction over the performance of the service, both under
12 the contract of service and in fact;

13 (2) The service is either outside the usual course of business for
14 which the service is performed, or the service is performed outside of
15 all the places of business of the enterprise for which the service is
16 performed, or the individual is responsible, both under the contract
17 and in fact, for the costs of the principal place of business from
18 which the service is performed;

1 (3) The individual is customarily engaged in an independently
2 established trade, occupation, profession, or business, of the same
3 nature as that involved in the contract of service, or the individual
4 has a principal place of business for the business the individual is
5 conducting that is eligible for a business deduction for federal income
6 tax purposes, other than that furnished by the employer for which the
7 business has contracted to furnish services;

8 (4) On the effective date of the contract of service, the
9 individual is responsible for filing at the next applicable filing
10 period, both under the contract of service and in fact, a schedule of
11 expenses with the internal revenue service for the type of business the
12 individual is conducting;

13 (5) On the effective date of the contract of service, or within a
14 reasonable period after the effective date of the contract, the
15 individual has an active and valid certificate of registration with the
16 department of revenue, and an active and valid account with any other
17 state agencies as required by the particular case, for the business the
18 individual is conducting for the payment of all state taxes normally
19 paid by employers and businesses and has registered for and received a
20 unified business identifier number from the state of Washington; and

21 ~~((On the effective date of the contract of service, the
22 individual is maintaining a separate set of books or records that
23 reflect all items of income and expenses of the business that the
24 individual is conducting; and~~

25 ~~(7))~~ On the effective date of the contract of service, the
26 individual has a valid contractor registration pursuant to chapter
27 18.27 RCW or an electrical contractor license pursuant to chapter 19.28
28 RCW.

29 **Sec. 2.** RCW 51.08.181 and 2008 c 102 s 5 are each amended to read
30 as follows:

31 For the purposes of this title, any individual performing services
32 that require registration under chapter 18.27 RCW or licensing under
33 chapter 19.28 RCW for remuneration under an independent contract is not
34 a worker when:

35 (1) The individual has been, and will continue to be, free from
36 control or direction over the performance of the service, both under
37 the contract of service and in fact;

1 (2) The service is either outside the usual course of business for
2 which the service is performed, or the service is performed outside all
3 of the places of business of the enterprise for which the service is
4 performed, or the individual is responsible, both under the contract
5 and in fact, for the costs of the principal place of business from
6 which the service is performed;

7 (3) The individual is customarily engaged in an independently
8 established trade, occupation, profession, or business, of the same
9 nature as that involved in the contract of service, or the individual
10 has a principal place of business for the business the individual is
11 conducting that is eligible for a business deduction for federal income
12 tax purposes other than that furnished by the employer for which the
13 business has contracted to furnish services;

14 (4) On the effective date of the contract of service, the
15 individual is responsible for filing at the next applicable filing
16 period, both under the contract of service and in fact, a schedule of
17 expenses with the internal revenue service for the type of business the
18 individual is conducting;

19 (5) On the effective date of the contract of service, or within a
20 reasonable period after the effective date of the contract, the
21 individual has an active and valid certificate of registration with the
22 department of revenue, and an active and valid account with any other
23 state agencies as required by the particular case, for the business the
24 individual is conducting for the payment of all state taxes normally
25 paid by employers and businesses and has registered for and received a
26 unified business identifier number from the state of Washington; and

27 ~~(6) ((On the effective date of the contract of service, the
28 individual is maintaining a separate set of books or records that
29 reflect all items of income and expenses of the business which the
30 individual is conducting; and~~

31 ~~(7))~~ On the effective date of the contract of service, the
32 individual has a valid contractor registration pursuant to chapter
33 18.27 RCW or an electrical contractor license pursuant to chapter 19.28
34 RCW.

35 **Sec. 3.** RCW 51.08.195 and 2008 c 102 s 4 are each amended to read
36 as follows:

37 As an exception to the definition of "employer" under RCW 51.08.070

1 and the definition of "worker" under RCW 51.08.180, services performed
2 by an individual for remuneration shall not constitute employment
3 subject to this title if it is shown that:

4 (1) The individual has been and will continue to be free from
5 control or direction over the performance of the service, both under
6 the contract of service and in fact; and

7 (2) The service is either outside the usual course of business for
8 which the service is performed, or the service is performed outside all
9 of the places of business of the enterprise for which the service is
10 performed, or the individual is responsible, both under the contract
11 and in fact, for the costs of the principal place of business from
12 which the service is performed; and

13 (3) The individual is customarily engaged in an independently
14 established trade, occupation, profession, or business, of the same
15 nature as that involved in the contract of service, or the individual
16 has a principal place of business for the business the individual is
17 conducting that is eligible for a business deduction for federal income
18 tax purposes; and

19 (4) On the effective date of the contract of service, the
20 individual is responsible for filing at the next applicable filing
21 period, both under the contract of service and in fact, a schedule of
22 expenses with the internal revenue service for the type of business the
23 individual is conducting; and

24 (5) On the effective date of the contract of service, or within a
25 reasonable period after the effective date of the contract, the
26 individual has established an account with the department of revenue,
27 and other state agencies as required by the particular case, for the
28 business the individual is conducting for the payment of all state
29 taxes normally paid by employers and businesses and has registered for
30 and received a unified business identifier number from the state of
31 Washington(~~and~~

32 ~~(6) On the effective date of the contract of service, the~~
33 ~~individual is maintaining a separate set of books or records that~~
34 ~~reflect all items of income and expenses of the business which the~~
35 ~~individual is conducting)).~~

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