H-0841.1

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**HOUSE BILL 1520**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Representatives Young, Walsh, Sutherland, Kraft, Dufault, and Jacobsen

AN ACT Relating to providing business and occupation tax relief for businesses impacted by the COVID-19 pandemic; adding a new section to chapter 82.04 RCW; creating a new section; providing an effective date; providing an expiration date; and declaring an emergency.

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

NEW SECTION. **Sec.**  The legislature acknowledges that the effects of the COVID-19 pandemic have had major negative economic impacts on businesses across the state. Reducing such impacts and helping businesses forced to close or operate at diminished capacity for extended periods of time is not only the compassionate and reasonable thing to do, but it is also in the best long-term interests of Washington's tax revenue production. As such, the legislature intends to allow shuttered businesses the opportunity to quickly earn back much needed lost revenue, improve their near-term capital liquidity and increase their short-term margins, and streamline their ability to compete and get back up to speed by removing the need to pay business and occupation taxes for a short period of time.

NEW SECTION. **Sec.**  A new section is added to chapter 82.04 RCW to read as follows:

Between April 1, 2021, and March 31, 2022, a business may claim an exemption pursuant to subsection (1), (2), or (3) of this section from taxes levied under this chapter.

(1)(a) A business meeting the requirements of (b) of this subsection qualifies for an exemption from any tax levied under this chapter including, but not limited to, RCW 82.04.220 and 82.04.299 for six months.

(b) As the result of an emergency proclamation issued by the governor February 29, 2020, and the COVID-19 pandemic, the business had to close for a period of at least 90 but less than 150 days between April 1, 2020, and March 31, 2021. The days do not need to be contiguous.

(2)(a) A business meeting the requirements of (b) of this subsection qualifies for an exemption from any tax levied under this chapter including, but not limited to, RCW 82.04.220 and 82.04.299 for nine months.

(b) As the result of an emergency proclamation issued by the governor February 29, 2020, and the COVID-19 pandemic, the business had to close for a period of at least 150 days between April 1, 2020, and March 31, 2021. The days do not need to be contiguous.

(3)(a) A business meeting the requirements of (b) of this subsection qualifies for an exemption from any tax levied under this chapter including, but not limited to, RCW 82.04.220 and 82.04.299 for four months.

(b) As the result of an emergency proclamation issued by the governor February 29, 2020, and the COVID-19 pandemic: (i) The business had to operate at forced diminished capacity of 50 percent or less between April 1, 2020, and March 31, 2021, for at least 90 days, which do not need to be contiguous; or (ii) the business experienced a net revenue loss of more than 49 percent for the period between April 1, 2020, and March 31, 2021.

(4) A business may only claim one exemption under this section.

(5) An exemption claimed under this section must be used for taxes due on or before April 1, 2022.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect April 1, 2021.

NEW SECTION. **Sec.**  This act expires May 1, 2022.

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