
SUBSTITUTE SENATE BILL 5980

State of Washington

67th Legislature

2022 Regular Session

By Senate Ways & Means (originally sponsored by Senators Carlyle, Randall, Hunt, Kuderer, and Mullet)

READ FIRST TIME 02/28/22.

1 AN ACT Relating to providing substantial and permanent tax relief
2 for small businesses to mitigate structural deficiencies in
3 Washington's business and occupation tax and lessen long-term
4 negative economic consequences of the pandemic that have
5 disproportionately impacted small businesses; amending RCW
6 82.04.4451; reenacting and amending RCW 82.32.045; and creating new
7 sections.

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

9 **Sec. 1.** RCW 82.04.4451 and 2010 1st sp.s. c 23 s 1102 are each
10 amended to read as follows:

11 (1) In computing the tax imposed under this chapter, a credit is
12 allowed against the amount of tax otherwise due under this chapter,
13 as provided in this section. Except for taxpayers that report at
14 least ~~((fifty))~~ 50 percent of their taxable amount under RCW
15 82.04.255, 82.04.290(2)(a), and 82.04.285, the maximum credit for a
16 taxpayer for a reporting period is ~~((thirty-five dollars))~~ \$55
17 multiplied by the number of months in the reporting period, as
18 determined under RCW 82.32.045. For a taxpayer that reports at least
19 ~~((fifty))~~ 50 percent of its taxable amount under RCW 82.04.255,
20 82.04.290(2)(a), and 82.04.285, the maximum credit for a reporting

1 period is (~~seventy dollars~~) \$160 multiplied by the number of months
2 in the reporting period, as determined under RCW 82.32.045.

3 (2) When the amount of tax otherwise due under this chapter is
4 equal to or less than the maximum credit, a credit is allowed equal
5 to the amount of tax otherwise due under this chapter.

6 (3) When the amount of tax otherwise due under this chapter
7 exceeds the maximum credit, a reduced credit is allowed equal to
8 twice the maximum credit, minus the tax otherwise due under this
9 chapter, but not less than zero.

10 (4) The department may prepare a tax credit table consisting of
11 tax ranges using increments of no more than five dollars and a
12 corresponding tax credit to be applied to those tax ranges. The table
13 shall be prepared in such a manner that no taxpayer will owe a
14 greater amount of tax by using the table than would be owed by
15 performing the calculation under subsections (1) through (3) of this
16 section. A table prepared by the department under this subsection
17 must be used by all taxpayers in taking the credit provided in this
18 section.

19 **Sec. 2.** RCW 82.32.045 and 2019 c 63 s 2 and 2019 c 8 s 302 are
20 each reenacted and amended to read as follows:

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

27 (2) The department of revenue may relieve any taxpayer or class
28 of taxpayers from the obligation of remitting monthly and may require
29 the return to cover other longer reporting periods, but in no event
30 may returns be filed for a period greater than one year. Except as
31 provided in subsection (3) of this section, for these taxpayers, tax
32 payments are due on or before the last day of the month next
33 succeeding the end of the period covered by the return.

34 (3) For annual filers, tax payments, along with reports and
35 returns on forms prescribed by the department, are due on or before
36 April 15th of the year immediately following the end of the period
37 covered by the return.

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

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

7 (a) The person's value of products, gross proceeds of sales, or
8 gross income of the business, from all business activities taxable
9 under chapter 82.04 RCW, is less than(~~(÷~~

10 ~~(i) Twenty-eight thousand dollars per year; or~~

11 ~~(ii) Forty-six thousand six hundred sixty-seven dollars per year~~
12 ~~for persons generating at least fifty percent of their taxable amount~~
13 ~~from activities taxable under RCW 82.04.255, 82.04.290(2)(a), and~~
14 ~~82.04.285)) \$125,000;~~

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

18 (c) The person is not required to collect or pay to the
19 department of revenue any other tax or fee which the department is
20 authorized to collect.

21 (6) (a) Taxes imposed under chapter 82.08 or 82.12 RCW on taxable
22 events that occur beginning January 1, 2019, through June 30, 2019,
23 and payable by a consumer directly to the department are due, on
24 returns prescribed by the department, by July 25, 2019.

25 (b) This subsection (6) does not apply to the reporting and
26 payment of taxes imposed under chapters 82.08 and 82.12 RCW:

27 (i) On the retail sale or use of motor vehicles, vessels, or
28 aircraft; or

29 (ii) By consumers who are engaged in business, unless the
30 department has relieved the consumer of the requirement to file
31 returns pursuant to subsection (5) of this section.

32 NEW SECTION. **Sec. 3.** This act applies to reporting periods
33 beginning on or after January 1, 2023.

34 NEW SECTION. **Sec. 4.** RCW 82.32.805 and 82.32.808 do not apply
35 to this act.

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