

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5980

Chapter 295, Laws of 2022

67th Legislature
2022 Regular Session

SMALL BUSINESSES—BUSINESS AND OCCUPATION TAX

EFFECTIVE DATE: June 9, 2022

Passed by the Senate March 10, 2022
Yeas 48 Nays 0

DENNY HECK

President of the Senate

Passed by the House March 9, 2022
Yeas 97 Nays 0

LURIE JINKINS

**Speaker of the House of
Representatives**

Approved March 31, 2022 5:02 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5980** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

April 1, 2022

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5980

AS AMENDED BY THE HOUSE

Passed Legislature - 2022 Regular Session

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

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

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

10 (1) In computing the tax imposed under this chapter, a credit is
11 allowed against the amount of tax otherwise due under this chapter,
12 as provided in this section. Except for taxpayers that report at
13 least ((fifty)) 50 percent of their taxable amount under RCW
14 82.04.255, 82.04.290(2)(a), and 82.04.285, the maximum credit for a
15 taxpayer for a reporting period is ((thirty-five dollars)) \$55
16 multiplied by the number of months in the reporting period, as
17 determined under RCW 82.32.045. For a taxpayer that reports at least
18 ((fifty)) 50 percent of its taxable amount under RCW 82.04.255,
19 82.04.290(2)(a), and 82.04.285, the maximum credit for a reporting
20 period is ((seventy dollars)) \$160 multiplied by the number of months
21 in the reporting period, as determined under RCW 82.32.045.

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (c) The person is not required to collect or pay to the
16 department of revenue any other tax or fee which the department is
17 authorized to collect.

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

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

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

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

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

31 NEW SECTION. **Sec. 4.** Section 1 of this act is exempt from RCW
32 82.32.805 and 82.32.808.

Passed by the Senate March 10, 2022.
Passed by the House March 9, 2022.
Approved by the Governor March 31, 2022.
Filed in Office of Secretary of State April 1, 2022.

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