CERTIFICATION OF ENROLLMENT

**ENGROSSED SUBSTITUTE SENATE BILL 6038**

68th Legislature

2024 Regular Session

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| Passed by the Senate March 6, 2024  Yeas 46 Nays 1  **President of the Senate**  Passed by the House March 5, 2024  Yeas 95 Nays 1  **Speaker of the House of Representatives** | CERTIFICATE  I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6038** as passed by the Senate and the House of Representatives on the dates hereon set forth.  Secretary |
| Approved |  |
| **Governor of the State of Washington** | **Secretary of State**  **State of Washington** |

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**ENGROSSED SUBSTITUTE SENATE BILL 6038**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2024 Regular Session

**State of Washington 68th Legislature 2024 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators C. Wilson, Lovelett, Keiser, Kuderer, Liias, Nguyen, Nobles, Randall, Salomon, Valdez, and Wellman)

AN ACT Relating to reducing the costs associated with providing child care; amending RCW 82.04.2905; creating a new section; and providing an effective date.

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

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preference contained in section 2, chapter . . ., Laws of 2024 (section 2 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to provide tax relief for certain businesses or individuals, as indicated in RCW 82.32.808(2)(e).

(3) It is the legislature's specific public policy objective to reduce the costs associated with providing child care by expanding the business and occupation tax exemption for child care services to include income derived from the care and education of children up to age 12.

(4) If a review finds a reduction in the cost of providing child care and education, then the legislature intends to extend the expiration date of this tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to any data collected by the state.

**Sec.**  RCW 82.04.2905 and 1998 c 312 s 7 are each amended to read as follows:

((~~Upon~~)) (1) Except as provided in subsection (2) of this section, upon every person engaging within this state in the business of providing child care for periods of less than twenty-four hours((~~; as to such persons~~)), the amount of tax with respect to such business ((~~shall be~~)) is equal to the gross proceeds derived from such sales multiplied by the rate of 0.484 percent.

(2) Until January 1, 2035, this chapter does not apply to amounts received by a child care provider for the care and supervision for periods of less than 24 hours of children:

(a) Under 13 years of age; or

(b) Under 19 years of age who have a verified special need or are under court supervision as determined by the department of children, youth, and families under chapter 43.216 RCW.

(3) The exemption under subsection (2) of this section applies only to persons primarily engaged in the business of providing child care.

NEW SECTION. **Sec.**  This act takes effect October 1, 2024.

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