

SHB 1240 - S AMD TO LAW COMM AMD (S-2726.1/23) 372  
By Senator J. Wilson

NOT ADOPTED 04/08/2023

1 On page 14, after line 33, insert the following:

2 "NEW SECTION. **Sec. 5.** A new section is added to chapter 82.04  
3 RCW to read as follows:

4 (1) In computing the tax imposed under this chapter, a credit is  
5 allowed to a firearms dealer. The credit is equal to the net loss on  
6 an assault weapon.

7 (2) The credit under this section only applies to assault weapons  
8 owned by a firearms dealer as of the effective date of this section.

9 (3) The credit may not exceed the tax otherwise due under this  
10 chapter for the tax reporting period. Unused credit may be carried  
11 over and used in subsequent tax reporting periods.

12 (4) For the purpose of this section, the following definitions  
13 apply:

14 (a) "Acquisition cost" means the total cost a person recognizes  
15 for accounting purposes to acquire an assault weapon for resale;  
16 however, "acquisition cost" also includes shipping and transportation  
17 costs related to transporting assault weapons out-of-state for  
18 resale.

19 (b) "Assault weapon" has the same meaning as provided in RCW  
20 9.41.010.

21 (c) "Firearms dealer" means a person engaged in the business of  
22 selling firearms at wholesale or retail.

23 (d) "Net loss" means the amount by which the acquisition cost of  
24 an assault weapon exceeds the sales price of an assault weapon. In  
25 the case of an assault weapon that is not sold, "net loss" means the  
26 acquisition cost."

27 Renumber the remaining sections consecutively and correct any  
28 internal references accordingly.

29 On page 15, line 7, after "9.41 RCW;" insert "adding a new  
30 section to chapter 82.04 RCW;"

EFFECT: Provides a business and occupation tax credit to firearms dealers for assault weapons owned by dealers on the effective date of the bill. Specifies that the B&O tax credit is equal to the financial loss taken on the assault weapon by the business, which includes shipping costs to transfer assault weapons out-of-state for resale. Allows unused tax credits to be carried over to subsequent tax reporting periods.

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