

HB 2487 - H AMD TO H AMD (H-3790.2/26) **2527**

By Representative Low

WITHDRAWN 03/06/2026

1 On page 8, after line 3 of the striking amendment, insert the
2 following:

3 "Sec. 6. RCW 82.04.288 and 2025 c 420 s 201 are each amended to
4 read as follows:

5 (1) Beginning January 1, 2026, in addition to all other taxes
6 imposed under this chapter, persons must pay a surcharge on
7 Washington taxable income over \$250,000,000 in a calendar year.

8 (2) The rate of the tax is 0.5 percent of the amount of
9 Washington taxable income over \$250,000,000.

10 (3)(a) Any Washington taxable income subject to the tax in RCW
11 82.04.29004 is exempt from the surcharge imposed in this section.

12 (b)(i) Any Washington taxable income subject to the
13 manufacturing tax rates in RCW 82.04.240, 82.04.2404, 82.04.241,
14 82.04.260, 82.04.2602, 82.04.287, 82.04.2909, or 82.04.294(1) is
15 exempt from the surcharge imposed in this section.

16 (ii) Any Washington taxable income attributable to the wholesale
17 or retail sale of products so manufactured by a person subject to
18 the manufacturing tax rates specified in (b)(i) of this subsection
19 (3) is exempt from the surcharge imposed in this section.

20 (iii) Any Washington taxable income attributable to retail sales
21 that are exempt from the imposition of sales tax in RCW 82.08.0293,
22 82.08.0297, and 82.08.0281 is exempt from the surcharge imposed in
23 this section.

24 (iv) Any Washington taxable income subject to the tax rates in
25 RCW 82.04.260(12) is exempt from the surcharge imposed in this
26 section.

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1 (v) Any Washington taxable income attributable to the wholesale
2 or retail sale of petroleum products by a person who is both located
3 in a state other than Washington and the owner of such materials
4 processed for it in Washington by an affiliated processor for hire
5 subject to the rate in RCW 82.04.280(1)(c), is exempt from the
6 surcharge imposed in this section. For the purposes of this
7 subsection (3)(b)(v), the following definitions apply:

8 (A) "Affiliated" means a person that directly or indirectly,
9 through one or more intermediaries, controls, is controlled by, or
10 is under common control with another person;

11 (B) "Control" means the possession, directly or indirectly, of
12 more than 50 percent of the power to direct or cause the direction
13 of the management and policies of a person, whether through the
14 ownership of voting shares, by contract, or otherwise; and

15 (C) "Petroleum product" has the same meaning as in RCW 82.21.020.

16 (4)(a) The surcharge imposed under this section does not apply
17 to taxable income for which a credit is allowed under RCW 82.04.440.

18 (b) The surcharge imposed under this section does not apply to a
19 person engaged in business primarily as a farmer or eligible
20 apiarist as defined in RCW 82.04.213.

21 (c) The surcharge imposed under this section does not apply to a
22 person subject to the tax imposed pursuant to RCW 82.04.299.

23 (d) The surcharge imposed under this section does not apply to
24 taxable income for wholesale and retail transactions of fuel as
25 defined in RCW 82.38.020.

26 (e) The surcharge imposed under this section does not apply to
27 any member of an insurer holding company system as defined in RCW
28 48.31B.005.

29 (5) Any income that is exempt from the surcharge imposed under
30 this section is not included in the calculation of Washington
31 taxable income in subsection (1) of this section.

32 (6) This section expires December 31, 2029."
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1 Renumber the remaining sections consecutively and correct any
2 internal references accordingly.

EFFECT: Exempts any member of an insurer holding company system from the business and occupation 0.5 percent surcharge on Washington taxable income over \$250,000,000 in a calendar year.

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