

**HB 2487** - H AMD TO H AMD (H-3790.2/26) **2471**  
By Representative Orcutt

**NOT ADOPTED 03/06/2026**

1 Beginning on page 1, line 3, strike all material through page 8,  
2 line 10 and insert the following:

3 **"Sec. 1.** RCW 82.04.320 and 2021 c 281 s 10 are each amended to  
4 read as follows:

5 (1) ~~((Except as otherwise provided in this section, this chapter~~  
6 ~~does not apply to any person in respect to insurance business upon~~  
7 ~~which a tax based on gross premiums is paid to the state.~~

8 ~~(2) The provisions of this section do not exempt any person~~  
9 ~~engaging in the business of representing any insurance company,~~  
10 ~~whether as general or local agent, or acting as broker for such~~  
11 ~~companies.~~

12 ~~(3) The provisions of this section do not exempt any bonding~~  
13 ~~company from tax with respect to gross income derived from the~~  
14 ~~completion of any contract as to which it is a surety, or as to any~~  
15 ~~liability as successor to the liability of the defaulting contractor.~~

16 ~~(4))~~ This chapter does not apply to insurance business conducted  
17 by an insurer.

18 (2) The exemption in subsection (1) of this section also applies  
19 to gross premiums received by an insurer that is exempt from premium  
20 taxes under RCW 48.14.0201(6).

21 (3) The exemption in subsection (1) of this section also applies  
22 to consideration received by an insurer for the granting of an  
23 annuity.

24 (4) For purposes of this section, for periods preceding May 12,  
25 2021, eligible captive insurers as defined in RCW 48.201.020 are  
26 deemed, in respect to their insurance business, to have paid a tax  
27 under RCW 48.14.020 or 48.201.040 on ((gross)) their receipt of  
28 premiums ((to the state)).

29 (5) Eligible captive insurers affiliated with a public  
30 institution of higher education that are exempt from paying a premium  
31 tax under RCW 48.201.040 are exempt from the tax imposed by this

1 chapter in respect to their insurance business. For purposes of this  
2 subsection (5), the definitions in RCW 48.201.020 apply.

3 (6) For the purposes of this section:

4 (a) "Insurance business" means activity performed by an insurer  
5 as defined in RCW 48.01.050, which relates to and includes the  
6 assumption of insurance risk, either directly or through reinsurance,  
7 upon which premiums or other considerations have been earned or  
8 received with respect to those risks.

9 (b) "Insurer" means a person that lawfully transacts insurance  
10 business in this state. "Insurer" includes an insurance broker who  
11 pays premium taxes pursuant to chapter 48.14 or 48.15 RCW on behalf  
12 of insurance businesses.

13 (c) "Premium" has the same meaning as in RCW 48.18.170.

14 NEW SECTION. Sec. 2. RCW 82.04.322 (Exemptions—Health  
15 maintenance organization, health care service contractor, certified  
16 health plan) and 1993 c 492 s 303 are each repealed.

17 NEW SECTION. Sec. 3. This act does not affect any final  
18 judgment, no longer subject to appeal, entered by a court of  
19 competent jurisdiction before the effective date of section 1 of this  
20 act."

EFFECT: (1) Modifies the business and occupation (B&O) insurance  
premium tax exemption, such that the exemption applies to any  
insurance business conducted by an insurer, gross premiums received  
by an insurer exempt from premium taxes, and consideration received  
by an insurer for the granting of an annuity.

(2) Defines "insurance business" as activity performed by an  
insurer that relates to and includes the assumption of insurance  
risk, either directly or through reinsurance, upon which premiums or  
other considerations have been earned or received with respect to  
those risks. Defines "insurer" as a person that lawfully transacts  
insurance business in this state and includes an insurance broker who  
pays premium taxes on behalf of insurance businesses. Removes the  
definition of "person."

(3) Removes bill sections that (a) provide for retroactive  
application, (b) direct the Department of Revenue (DOR) to waive  
penalties and interest for retroactively owed taxes subject to  
certain requirements and exceptions, (c) provide an exemption from  
the advanced computing surcharge for qualifying insurers required to  
report and pay insurance premium taxes and persons exempt from  
premium taxes.

(4) Removes the bill's intent section.

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