

---

**SENATE BILL 5791**

---

**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senator Hansen

1 AN ACT Relating to increasing state funding to expand access to  
2 higher education; amending RCW 82.04.290; and providing an effective  
3 date.

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

5 **Sec. 1.** RCW 82.04.290 and 2020 c 2 s 3 are each amended to read  
6 as follows:

7 (1) Upon every person engaging within this state in the business  
8 of providing qualifying international investment management services,  
9 as to such persons, the amount of tax with respect to such business  
10 is equal to the gross income or gross proceeds of sales of the  
11 business multiplied by a rate of 0.275 percent.

12 (2)(a) Upon every person engaging within this state in any  
13 business activity other than or in addition to an activity taxed  
14 explicitly under another section in this chapter or subsection (1) or  
15 (3) of this section; as to such persons the amount of tax on account  
16 of such activities is equal to the gross income of the business  
17 multiplied by the rate of:

18 (i) (~~1.75~~) 1.8 percent; or

19 (ii) 1.5 percent for:

20 (A) Any person subject to the surcharge imposed under RCW  
21 82.04.299;

1 (B) Any person whose gross income of the business subject to the  
2 tax imposed under this subsection (2), for the immediately preceding  
3 calendar year, was less than one million dollars, unless (I) the  
4 person is affiliated with one or more other persons, and (II) the  
5 aggregate gross income of the business subject to the tax imposed  
6 under this subsection (2) for all affiliated persons was greater than  
7 or equal to one million dollars for the immediately preceding  
8 calendar year; and

9 (C) Hospitals as defined in RCW 70.41.020, including any hospital  
10 that comes within the scope of chapter 71.12 RCW if the hospital is  
11 also licensed under chapter 70.41 RCW. This subsection (2)(a)(ii)(C)  
12 must not be construed as modifying RCW 82.04.260(10).

13 (b) This subsection (2) includes, among others, and without  
14 limiting the scope hereof (whether or not title to materials used in  
15 the performance of such business passes to another by accession,  
16 confusion or other than by outright sale), persons engaged in the  
17 business of rendering any type of service which does not constitute a  
18 "sale at retail" or a "sale at wholesale." The value of advertising,  
19 demonstration, and promotional supplies and materials furnished to an  
20 agent by his or her principal or supplier to be used for  
21 informational, educational, and promotional purposes is not  
22 considered a part of the agent's remuneration or commission and is  
23 not subject to taxation under this section.

24 (c) (~~(14.3)~~) 16.67 percent of the revenues collected under (a)(i)  
25 of this subsection (2) must be deposited into the workforce education  
26 investment account created in RCW 43.79.195.

27 (d)(i) To aid in the effective administration of this subsection  
28 (2), the department may require a person claiming to be subject to  
29 the 1.5 percent tax rate under (a)(ii)(B) of this subsection (2) to  
30 identify all of the person's affiliates, including their department  
31 tax registration number or unified business identifier number, as may  
32 be applicable, or to certify that the person is not affiliated with  
33 any other person. Requests under this subsection (2)(d)(i) must be in  
34 writing and may be made electronically.

35 (ii) If the department establishes, by clear, cogent, and  
36 convincing evidence, that a person, with intent to evade the  
37 additional taxes due under the (~~(1.75)~~) 1.8 percent tax rate in  
38 (a)(i) of this subsection (2), failed to provide the department with  
39 complete and accurate information in response to a written request  
40 under (d)(i) of this subsection (2) within thirty days of such

1 request, the person is ineligible for the 1.5 percent tax rate in  
2 (a)(ii) of this subsection (2) for the entire current calendar year  
3 and the following four calendar years. However, the department must  
4 waive the provisions of this subsection (2)(d)(ii) for any tax  
5 reporting period that the person is otherwise eligible for the 1.5  
6 percent tax rate in (a)(ii) of this subsection (2) if (A) the  
7 department has not previously determined that the person failed to  
8 fully comply with (d)(i) of this subsection (2), and (B) within  
9 thirty days of the notice of additional tax due as a result of the  
10 person's failure to fully comply with (d)(i) of this subsection (2)  
11 the department determines that the person has come into full  
12 compliance with (d)(i) of this subsection (2). This subsection (2)(d)  
13 applies only with respect to persons claiming entitlement to the 1.5  
14 percent tax rate solely by reason of (a)(ii)(B) of this subsection  
15 (2).

16 (e) For the purposes of (a)(ii)(B) of this subsection (2), if a  
17 taxpayer is subject to the reconciliation provisions of RCW  
18 82.04.462(4), and calculates gross income of the business subject to  
19 the tax imposed under this subsection (2) for the immediately  
20 preceding calendar year, or aggregate gross income of the business  
21 subject to the tax imposed under this subsection (2) for the  
22 immediately preceding calendar year for all affiliated persons, based  
23 on incomplete information, the taxpayer must correct the reporting  
24 for the current calendar year when complete information for the  
25 immediately preceding calendar year is available.

26 (f) For purposes of this subsection (2), the definitions in this  
27 subsection (2)(f) apply:

28 (i) "Affiliate" means a person that directly or indirectly,  
29 through one or more intermediaries, controls, is controlled by, or is  
30 under common control with another person; and

31 (ii) "Control" means the possession, directly or indirectly, of  
32 more than eighty percent of the power to direct or cause the  
33 direction of the management and policies of a person, whether through  
34 the ownership of voting shares, by contract, or otherwise.

35 (3)(a) Until July 1, 2040, upon every person engaging within this  
36 state in the business of performing aerospace product development for  
37 others, as to such persons, the amount of tax with respect to such  
38 business is equal to the gross income of the business multiplied by a  
39 rate of 0.9 percent.

1 (b) A person reporting under the tax rate provided in this  
2 subsection (3) must file a complete annual report with the department  
3 under RCW 82.32.534.

4 (c) "Aerospace product development" has the meaning as provided  
5 in RCW 82.04.4461.

6 NEW SECTION. **Sec. 2.** Section 1 of this act takes effect October  
7 1, 2025.

--- END ---