

HOUSE BILL 1488

State of Washington 54th Legislature 1995 Regular Session

By Representatives Chappell, Morris, Mastin, Brumsickle, Schoesler, Regala, Kessler, Grant, Basich, Sheldon, Campbell, Hatfield, Scott, Kremen, Wolfe, Patterson and Costa

Read first time 01/27/95. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to business and occupation tax exemption for new
2 small businesses; and adding a new section to chapter 82.04 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
5 to read as follows:

6 (1) This chapter does not apply to a new business, with less than
7 twenty employees, during the first sixty months of operation of the
8 business. During the next sixty months of operation of the business,
9 the business is exempt from taxes due under this chapter according to
10 the following schedule:

	<u>Year</u>	<u>Exemption</u>
11	6	50%
12	7	40%
13	8	30%
14	9	20%
15	10	10%
16	after 10	0%
17		

1 The business is not eligible for the exemption under this section
2 after the one hundred twentieth month of operation.

3 (2) As used in this section:

4 (a) "New business" means a business that obtained or was required
5 to obtain a registration certificate under RCW 82.32.030 for the first
6 time during the calendar year for which exemption is first claimed
7 under this chapter.

8 (b) "New business" does not include:

9 (i) A business that has been restructured, reorganized, or
10 transferred, unless the majority of the activities to be conducted
11 after restructuring, reorganization, or transferral are significantly
12 different from the activities previously conducted;

13 (ii) A new branch location or other facility except by an existing
14 out-of-state entity first doing business in this state;

15 (iii) A business that is substantially similar to a business
16 currently operated, or operated within the past five years, by the same
17 principals.

18 The department may require a new business to certify its status as
19 part of its master business application, or with the first tax return
20 claiming exemption under this section.

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