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**SUBSTITUTE SENATE BILL 5739**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Strannigan, Rinehart, Johnson, Quigley, Long, Owen, Cantu, Hale, Finkbeiner, McCaslin, Palmer, Hochstatter, McDonald, Spanel, Schow, Prentice, Moyer, Loveland, Swecker, West, Rasmussen, Smith, Drew, Haugen, Franklin, Fairley, A. Anderson, Wojahn, Heavey, McAuliffe, Kohl, Hargrove, Oke and Bauer)

Read first time 02/23/95.

1 AN ACT Relating to sales by nonprofit organizations; amending RCW  
2 82.04.365; and adding a new section to chapter 82.08 RCW.

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

4 **Sec. 1.** RCW 82.04.365 and 1979 ex.s. c 196 s 7 are each amended to  
5 read as follows:

6 (1) This chapter does not apply to amounts derived by a nonprofit  
7 organization as a result of conducting or participating in a bazaar or  
8 rummage sale if:

9 (a) The organization does not conduct or participate in more than  
10 two bazaars or rummage sales per year; and

11 (b) Each bazaar or rummage sale does not extend over a period of  
12 more than two days; and

13 (c) The gross income received by each organization from each bazaar  
14 or rummage sale does not exceed (~~one~~) ten thousand dollars.

15 (2) For purposes of this section, "nonprofit organization" means an  
16 organization that meets all of the following criteria:

17 (a) The members, stockholders, officers, directors, or trustees of  
18 the organization do not receive any part of the organization's gross  
19 income, except as payment for services rendered;

1 (b) The compensation received by any person for services rendered  
2 to the organization does not exceed an amount reasonable under the  
3 circumstances; and

4 (c) The activities of the organization do not include a substantial  
5 amount of political activity, including but not limited to influencing  
6 legislation and participation in any campaign on behalf of any  
7 candidate for political office.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW  
9 to read as follows:

10 The tax levied by RCW 82.08.020 does not apply to sales made by a  
11 nonprofit organization if the gross income from the sales is exempt  
12 under RCW 82.04.365.

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