

SENATE BILL REPORT

SB 6748

As Reported by Senate Committee On:
Ways & Means, February 22, 2010

Title: An act relating to the business and occupation taxation of newspaper-labeled supplements.

Brief Description: Concerning the business and occupation taxation of newspaper-labeled supplements.

Sponsors: Senators Tom and Zarelli.

Brief History:

Committee Activity: Ways & Means: 2/03/10, 2/22/10 [DP, DNP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hobbs, Kline, Kohl-Welles, Murray, Parlette, Pflug, Pridemore and Regala.

Minority Report: Do not pass.

Signed by Senators McDermott and Rockefeller.

Staff: Dean Carlson (786-7305)

Background: In 2008 the definition of a newspaper was amended to include the online version of a newspaper. The effect of this legislation was to make the advertising income of online versions of a newspaper taxed at the same rate as newspapers, instead of at the advertising rate of 1.5 percent. This definition change had an expiration date of June 30, 2011.

In 2009 the Legislature lowered the business and occupation tax rate of newspapers from 0.484 percent to 0.2904 percent.

Summary of Bill: The definition of a newspaper, which includes the online version of the newspaper, is extended from June 30, 2011, to June 30, 2015. The effect of this is to continue to tax advertising revenue from the online versions of newspapers at the same rate as the traditional newspaper for four more years.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This extension of making the electronic version the same as print is a reflection of the market place in that it is a single revenue stream. We sell advertising in both versions and it is difficult to tell them apart in an audit. Blended rates are difficult. We hope it goes indefinitely, but we would also appreciate the extensions.

Persons Testifying: PRO: Roland Thompson, Allied Daily Newspapers.