

SENATE BILL REPORT

SB 5661

AS PASSED SENATE, JANUARY 24, 1992

Brief Description: Adding a business and occupation tax deduction.

SPONSORS: Senators McDonald, A. Smith and Bluechel.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Cantu, Gaspard, Hayner, Johnson, Metcalf, Murray, Newhouse, Niemi, Saling, L. Smith, Talmadge, West, Williams, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: March 6, 1991; March 7, 1991

BACKGROUND:

Nonprofit organizations pay business and occupation taxes unless specifically exempted by statute. Most nonprofit organizations pay business and occupation tax at the services rate of 1.5 percent.

SUMMARY:

A deduction is authorized from the business and occupation tax by nonprofit corporations for payments and contributions from public entities for the promotion of conventions, tourism, or economic development.

The bill applies both prospectively and retrospectively.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The bill allows funds received from government sources to be excluded from gross revenues for nonprofit corporations if used to promote conventions, tourism, or economic development. It is currently not being collected. The bill will remove potential liability, without revenue loss, and encourage tourism.

TESTIMONY AGAINST: None

TESTIFIED: Cliff Webster, Seattle-King County Convention and
Visitors Bureau (pro)