

SENATE BILL REPORT

SB 6471

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 5, 1992

Brief Description: Restricting the requirement to obtain an excise tax registration certificate.

SPONSORS: Senators Craswell, Vognild, Rinehart, Hansen and Amondson

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6471 be substituted therefor, and the substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bailey, Cantu, Hayner, Newhouse, Rinehart, Saling, L. Smith, West, Williams, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: February 4, 1992; February 5, 1992

BACKGROUND:

Persons engaging in business in this state are subject to the state business and occupation tax on the gross income of the business if the income exceeds \$1,000 per month. Persons engaging in retail sales must also collect a sales and use tax from buyers on sales of tangible personal property and some services. Depending on the activity, other taxes may apply.

Any person engaging in business or performing an act which is taxable is required to register with the Department of Revenue and pay a registration fee of \$15. Registration is required even if no tax is due.

In 1990, the Legislature exempted small timber harvesters from business and occupation tax if the gross income from harvesting is less \$100,000 per year.

SUMMARY:

If a person is providing a service that is not subject to the state sales tax, registration is not required until the gross income of the business for any month is greater than \$1,000.

EFFECT OF PROPOSED SUBSTITUTE:

The registration exemption does not apply if the person is subject to any other tax.

Appropriation: none

Revenue: none

Fiscal Note: requested February 3, 1992

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one