S-4018.2

SUBSTITUTE SENATE BILL 6395

State of Washington 52nd Legislature 1992 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators von Reichbauer, Moore, Erwin, Vognild and Conner)

Read first time 02/11/92.

AN ACT Relating to the business and occupation taxation of stock brokers, broker-dealers, and security houses; adding a new section to chapter 82.04 RCW; and providing an effective date.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW, to be codified within the range of RCW 82.04.255 and 82.04.260, to read as follows:

Upon every person engaging within this state as a broker-dealer, salesperson, investment adviser, or investment adviser salesperson licensed under chapter 21.20 RCW; as to these persons, the amount of the tax with respect to the licensed activities shall be equal to the gross income of the business multiplied by the rate of one and one-half percent. The measure of tax on commissions earned by a broker-dealer, salesperson, investment adviser, or investment adviser salesperson

shall be the gross commission retained by that particular broker-dealer, salesperson, investment adviser, or investment adviser salesperson after the particular broker-dealer, salesperson, investment adviser, or investment adviser salesperson has paid any other broker-dealer, salesperson, investment adviser, or investment adviser salesperson a portion of the gross commission which the broker-dealer, salesperson, investment adviser, or investment adviser salesperson was legally required to pay pursuant to a contract or other agreement in existence prior to the transaction on which the commission was earned. The measure of tax on the commissions is not reduced for an amount paid to another broker-dealer, salesperson, investment adviser, or investment adviser salesperson unless the broker-dealer, salesperson, investment adviser, or investment adviser salesperson, or entity is subject to the tax imposed by this section on the amount so paid.

NEW SECTION. **Sec. 2.** This act shall take effect July 1, 1993.