
SENATE BILL 6395

State of Washington 52nd Legislature 1992 Regular Session

By Senators von Reichbauer, Moore, Erwin, Vognild and Conner

Read first time 01/28/92. Referred to Committee on Financial
Institutions & Insurance.

1 AN ACT Relating to the business and occupation taxation of stock
2 brokers, broker-dealers, and security houses; and amending RCW
3 82.04.260.

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

5 **Sec. 1.** RCW 82.04.260 and 1991 c 272 s 15 are each amended to read
6 as follows:

7 (1) Upon every person engaging within this state in the business of
8 buying wheat, oats, dry peas, dry beans, lentils, triticale, corn, rye
9 and barley, but not including any manufactured or processed products
10 thereof, and selling the same at wholesale; the tax imposed shall be
11 equal to the gross proceeds derived from such sales multiplied by the
12 rate of one one-hundredth of one percent.

13 (2) Upon every person engaging within this state in the business of
14 manufacturing wheat into flour, barley into pearl barley, soybeans into

1 soybean oil, or sunflower seeds into sunflower oil; as to such persons
2 the amount of tax with respect to such business shall be equal to the
3 value of the flour, pearl barley, or oil manufactured, multiplied by
4 the rate of one-eighth of one percent.

5 (3) Upon every person engaging within this state in the business of
6 splitting or processing dried peas; as to such persons the amount of
7 tax with respect to such business shall be equal to the value of the
8 peas split or processed, multiplied by the rate of one-quarter of one
9 percent.

10 (4) Upon every person engaging within this state in the business of
11 manufacturing seafood products which remain in a raw, raw frozen, or
12 raw salted state at the completion of the manufacturing by that person;
13 as to such persons the amount of tax with respect to such business
14 shall be equal to the value of the products manufactured, multiplied by
15 the rate of one-eighth of one percent.

16 (5) Upon every person engaging within this state in the business of
17 manufacturing by canning, preserving, freezing or dehydrating fresh
18 fruits and vegetables; as to such persons the amount of tax with
19 respect to such business shall be equal to the value of the products
20 canned, preserved, frozen or dehydrated multiplied by the rate of
21 three-tenths of one percent.

22 (6) Upon every nonprofit corporation and nonprofit association
23 engaging within this state in research and development, as to such
24 corporations and associations, the amount of tax with respect to such
25 activities shall be equal to the gross income derived from such
26 activities multiplied by the rate of forty-four one-hundredths of one
27 percent.

28 (7) Upon every person engaging within this state in the business of
29 slaughtering, breaking and/or processing perishable meat products
30 and/or selling the same at wholesale only and not at retail; as to such

1 persons the tax imposed shall be equal to the gross proceeds derived
2 from such sales multiplied by the rate of twenty-five one-hundredths of
3 one percent through June 30, 1986, and one-eighth of one percent
4 thereafter.

5 (8) Upon every person engaging within this state in the business of
6 making sales, at retail or wholesale, of nuclear fuel assemblies
7 manufactured by that person, as to such persons the amount of tax with
8 respect to such business shall be equal to the gross proceeds of sales
9 of the assemblies multiplied by the rate of twenty-five one-hundredths
10 of one percent.

11 (9) Upon every person engaging within this state in the business of
12 manufacturing nuclear fuel assemblies, as to such persons the amount of
13 tax with respect to such business shall be equal to the value of the
14 products manufactured multiplied by the rate of twenty-five one-
15 hundredths of one percent.

16 (10) Upon every person engaging within this state in the business
17 of acting as a travel agent; as to such persons the amount of the tax
18 with respect to such activities shall be equal to the gross income
19 derived from such activities multiplied by the rate of twenty-five one-
20 hundredths of one percent.

21 (11) Upon every person engaging within this state in business as an
22 international steamship agent, international customs house broker,
23 international freight forwarder, vessel and/or cargo charter broker in
24 foreign commerce, and/or international air cargo agent; as to such
25 persons the amount of the tax with respect to only international
26 activities shall be equal to the gross income derived from such
27 activities multiplied by the rate of thirty-three one-hundredths of one
28 percent.

29 (12) Upon every person engaging within this state in the business
30 of stevedoring and associated activities pertinent to the movement of

1 goods and commodities in waterborne interstate or foreign commerce; as
2 to such persons the amount of tax with respect to such business shall
3 be equal to the gross proceeds derived from such activities multiplied
4 by the rate of thirty-three one hundredths of one percent. Persons
5 subject to taxation under this subsection shall be exempt from payment
6 of taxes imposed by chapter 82.16 RCW for that portion of their
7 business subject to taxation under this subsection. Stevedoring and
8 associated activities pertinent to the conduct of goods and commodities
9 in waterborne interstate or foreign commerce are defined as all
10 activities of a labor, service or transportation nature whereby cargo
11 may be loaded or unloaded to or from vessels or barges, passing over,
12 onto or under a wharf, pier, or similar structure; cargo may be moved
13 to a warehouse or similar holding or storage yard or area to await
14 further movement in import or export or may move to a consolidation
15 freight station and be stuffed, unstuffed, containerized, separated or
16 otherwise segregated or aggregated for delivery or loaded on any mode
17 of transportation for delivery to its consignee. Specific activities
18 included in this definition are: Wharfage, handling, loading,
19 unloading, moving of cargo to a convenient place of delivery to the
20 consignee or a convenient place for further movement to export mode;
21 documentation services in connection with the receipt, delivery,
22 checking, care, custody and control of cargo required in the transfer
23 of cargo; imported automobile handling prior to delivery to consignee;
24 terminal stevedoring and incidental vessel services, including but not
25 limited to plugging and unplugging refrigerator service to containers,
26 trailers, and other refrigerated cargo receptacles, and securing ship
27 hatch covers.

28 (13) Upon every person engaging within this state in the business
29 of disposing of low-level waste, as defined in RCW 43.145.010; as to
30 such persons the amount of the tax with respect to such business shall

1 be equal to the gross income of the business, excluding any fees
2 imposed under chapter 43.200 RCW, multiplied by the rate of fifteen
3 percent.

4 (a) The rate specified in this subsection shall be reduced to ten
5 percent on May 20, 1991.

6 (b) The rate specified in this subsection shall be further reduced
7 to five percent on January 1, 1992.

8 (c) The rate specified in this subsection shall be further reduced
9 to three percent on July 1, 1993.

10 If the gross income of the taxpayer is attributable to activities
11 both within and without this state, the gross income attributable to
12 this state shall be determined in accordance with the methods of
13 apportionment required under RCW 82.04.460.

14 (14) Upon every person engaging within this state as an insurance
15 agent, insurance broker, or insurance solicitor licensed under chapter
16 48.17 RCW; as to such persons, the amount of the tax with respect to
17 such licensed activities shall be equal to the gross income of such
18 business multiplied by the rate of one percent.

19 (15) Upon every person engaging within this state as a broker-
20 dealer, salesperson, investment adviser, or investment adviser
21 salesperson licensed under chapter 21.20 RCW; as to these persons, the
22 amount of the tax with respect to the licensed activities shall be
23 equal to the gross income of the business multiplied by the rate of one
24 and one-half percent. The measure of tax on commissions earned by a
25 broker-dealer, salesperson, investment adviser, or investment adviser
26 salesperson shall be the gross commission retained by that particular
27 broker-dealer, salesperson, investment adviser, or investment adviser
28 salesperson after the particular broker-dealer, salesperson, investment
29 adviser, or investment adviser salesperson has paid any other broker-
30 dealer, salesperson, investment adviser, or investment adviser

1 salesperson a portion of the gross commission which the broker-dealer,
2 salesperson, investment adviser, or investment adviser salesperson was
3 legally required to pay pursuant to a contract or other agreement in
4 existence prior to the transaction on which the commission was earned.
5 The measure of tax on the commissions is not reduced for an amount paid
6 to another broker-dealer, salesperson, investment adviser, or
7 investment adviser salesperson unless the salesperson, investment
8 adviser, or investment adviser salesperson, or entity is subject to the
9 tax imposed by this subsection on the amount so paid.