

HOUSE BILL REPORT

HB 1895

As Reported By House Committee On:
Revenue

Title: An act relating to the business and occupation tax exemption limit.

Brief Description: Raising the limit for the business and occupation tax exemption.

Sponsors: Representatives Eide, Brough, Kremen, Mielke, Romero, Foreman, Brumsickle, Long, Edmondson, Horn, Holm, Springer, Karahalios, Van Luven, Ballasiotes, Wood, Schoesler, Thomas, Lemmon, Sheldon, Chappell, Reams, Miller, J. Kohl, Orr, Roland and Forner.

Brief History:

Reported by House Committee on:
Revenue, March 5, 1993, DPA.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass as amended. Signed by 11 members: Representatives G. Fisher, Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Morris; Romero; Silver; Talcott; Van Luven; and Wang.

Minority Report: Do not pass. Signed by 4 members: Representatives Cothorn; Leonard; Rust; and Thibaudeau.

Staff: Rick Peterson (786-7150).

Background: Washington's major business tax is the business and occupation tax. This tax is levied on the gross receipts of all business activities conducted within the state without deductions for costs of doing business. Businesses with gross receipts of less than \$12,000 per year are exempt from taxation.

Summary of Amended Bill: Businesses below \$24,000 a year in gross receipts are exempt from taxation.

Amended Bill Compared to Original Bill: The amended bill increases the threshold to \$4,000 per month -- \$48,000 per year.

Fiscal Note: Available. New fiscal note requested March 6, 1993.

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

Testimony For: Some businesses would be helped by this bill. It has been a long time since this level has been changed.

Testimony Against: None.

Witnesses: Representative Eide, prime sponsor; and Doug Bohlke (both in favor).